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THE GIFT OF
Mrs. W. W. Wedemeyer.

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60TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { DOCUMENT No. 1505

TARIFF HEARINGS

BEFORE THE COMMITTEE ON WAYS AND MEANS OF THE HOUSE OF REPRESENTATIVES

SIXTIETH CONGRESS

1908-1909

VOL. VI

SCHEDULE L—Silks and Silk Goods
SCHEDULE M—Pulp, Papers, and Books
SCHEDULE N—Sundries

(Schedule N continued in Volume VII)

WASHINGTON
GOVERNMENT PRINTING OFFICE
1909

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HOUSE OF REPRESENTATIVES, SIXTIETH CONGRESS.

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SCHEDULE L.

SILKS AND SILK GOODS.

SCHEDULE L—SILKS AND SILK GOODS.

SILK COCOONS.

[Paragraph 661.]

M. W. GUSTIN, SALEM, MO., RECOMMENDS THE PLACING OF A DUTY OF FIVE DOLLARS PER POUND ON COCOONS.

SALEM, MO., *November 30, 1908.*

Hon. SERENO PAYNE,
Chairman Committee, Washington, D. C.

DEAR SIR: As the honorable committee over which you preside is considering the tariff question with a view to having some changes made, I ask your indulgence to call attention to what might be made by proper protection a very profitable industry over a large area of the United States.

Experiments for a number of years conducted at national expense have demonstrated that wherever in this country the Osage orange (our common hedge plant) will thrive silk cocoons can be produced, the tender leaves of that tree being as good, if not better, food for the silkworms than mulberry leaves. That much is repeatedly set forth in public official reports. Ex-Governor Colman, of this State, when in charge of the Agricultural Department during one of Cleveland's administrations, said the solution of the silk industry (raw silk and cocoons) here would be a home market; that the price in competition with China, France, Italy, and Japan is the mountain our home producers will not climb.

You know how to get over that mountain. An import duty of $5 per pound on cocoons, with corresponding increase for each stage of manufacture, would place the home producer of cocoons on top of that mountain, from whence they would have a "down-hill pull."

Furthermore, while that industry would be developing—growing up to meet the home supply—the duty on the imports which would still be required would yield from $50,000,000 to $100,000,000 revenue per annum (a sum which would come in good play right now); a revenue which would be paid by the more wealthy people, in that case being a pride tax which they would be glad to pay. Nothing makes a silk dress or a silk hat so valuable to the owners thereof as the fact that some one else, or, more so, no one else, can afford to wear them.

Very respectfully,

M. W. GUSTIN.

CARDED AND SPUN SILK.

[Paragraphs 384 and 385.]

CHENEY BROTHERS, SOUTH MANCHESTER, CONN., THINK THE SPUN-SILK SCHEDULE SHOULD NOT BE CHANGED.

SOUTH MANCHESTER, CONN., *January 6, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The source of all silk is the cocoon or protecting shell made by the silkworm as a shelter for itself while in the chrysalis state. Inside this cocoon the worm is transformed first into a chrysalis and then into a moth, which liberates itself by piercing the cocoon. The cocoon is formed of a continuous fine fiber secreted by the worm and deposited layer upon layer, and held in place by a gum secreted with it by the worm. The cocoon has much the shape and general appearance of a large peanut.

Raw silk is made by unwinding these fibers from the cocoon before the moth has pierced it, in much the same way that a lady unwinds a ball of yarn. A certain number of moths are always allowed to come out, that they may lay eggs for the next year's crop. The cocoons from which they have escaped can no longer be reeled into raw silk and are known as "pierced cocoons."

In reeling raw silk a large amount of waste is made, which is in the form of a tangled mat known to the trade as "frisons." Again, in the process of winding this raw silk on bobbins, there is produced another kind of waste, known as "winders' waste." These three materials, i. e., pierced cocoons, frisons, and winders' waste, with some other relatively unimportant wastes, are classed together as waste silk and constitute the raw material from which spun silk is made. It should be understood that this waste silk is composed entirely of perfectly new, sound fiber, and has no similarity to the waste rags and other previously manufactured and worn materials from which woolen shoddy is made. There is no silk material corresponding to shoddy.

It is this yarn, called spun silk, which we now have under consideration. It is made as follows:

The natural silkworm gum adhering to the fiber is removed by immersion in boiling soapsuds or other chemical treatment, or by maceration or decay. All three processes have been or are now in practical operation, both in this country and abroad. After the fiber is ungummed it is combed and put through complicated processes of drawing, roving, and spinning, similar to those employed in the manufacture of worsted yarns. The filaments are exceedingly fine and delicate, and have to be treated with much more care than wool. This necessitates the employment of a great deal of highly skilled labor.

On the continent of Europe spun silk is known as "schappe," and to a certain extent the term has been transplanted to this country. As much of the spun silk or schappe of Europe was formerly made from stock which had been ungummed by the old process of maceration, a false impression gained credence that there is a real distinction between the schappe from macerated stock and the spun silk from

boiled stock. They are the same thing and, as a matter of fact, the older processes are giving way, both in this and European countries, to chemical ungumming. There is absolutely no difference between the processes of manufacture of these yarns except the initial one of the ungumming. They are practically identical in character and appearance, except that the silk from boiled stock is cleaner and whiter than the other. They are used interchangeably for the same purposes. The contention that schappe is not spun silk has been thoroughly argued before the appraiser of the port of New York, and a decision has been rendered to the effect that they are the same.

It is stated that spun silk from macerated stock is not made in this country, and that for sanitary and other reasons it can not be successfully made here, and it is therefore argued that a reduction of duty upon carded and combed silk (384, Schedule L, Dingley tariff) would foster the growth of a new industry of schappe spinning in this country, which does not and under present conditions can not exist. This presentation of the case is entirely misleading, for the maceration of silk stock not only can be successfully done in this country but has actually been done on a very large scale, but has been practically abandoned in favor of better processes. If for any reason it was necessary to make spun silk from macerated stock and at the same time avoid the disadvantages attendant upon using that method of ungumming the raw material here, the way is now open to do so, as the waste can, under the present tariff law, be macerated abroad and imported in the ungummed state free of duty, which would certainly be more favorable to the building up of a supposed new industry than the suggested plan of importing macerated combings under a duty even as low as that recommended.

What does not exist in this country is the incomplete industry of silk spinning without the accompanying branch of combing, and to create it by allowing the importation of combed silk at less than a protective rate would be a great injustice to the completely organized industries already existing. The labor and capital employed in combing are equally entitled to protection with those employed in the more advanced processes.

The proposal to make a reduction of duties upon "tussah" spun silk yarns should not receive favorable consideration. Tussah is a more or less vague name applied to a wide range of silks obtained from a number of different species of wild silk cocoons found in various parts of the world. The methods and machines required for the manufacture of tussah yarns are the same as those for making other spun silks. The yarn is naturally dark in color, but when bleached it is only distinguished from other qualities by an expert. Tussah yarns have been successfully made in this country, and if they are not spun in large quantities, it is because they and other low grades of yarns have not been sufficiently protected.

On account of the complicated and expensive machinery used, the amount of skilled labor employed and the great burden of carrying large stocks of such an expensive material, both in the raw, in process, and in finished yarn, it requires a very large capital to install a plant for the manufacture of spun silk and to operate it successfully. Moreover, the article is one in which the prices of both raw and finished product fluctuate more rapidly and over a wider range than is

usual in cotton, wool, or other textiles, and the risk is consequently great.

These reasons to a certain extent explain why the industry has not made more rapid development in this country, but a more potent reason is that it has not had the same degree of protection under which the cotton, wool, and other textile industries have made such rapid advances. The fact that two-thirds of all the spun silk used in the country is imported is evidence that the present tariff rates are hardly protective. This section of the Dingley tariff is at present on a revenue rather than on a protective basis, as is illustrated by the fact that during the ten years for which we have reports of imports under the law the duty collected upon spun silk has amounted to $11,952,034.47, against only $8,098,827.48 for woolen, worsted, and cotton yarns combined. The disparity between the cost of manufacturing in this country and Europe is very great. The wages which we pay are two or three times as much as are paid for the same class of labor in England, France, or Switzerland, and three or four times as much as in Italy.

The manufacture of spun silk has been established with modern machinery in the Orient, and is being carried on so successfully that the yarns are being offered on this market in competition with American and European qualities. We have to pay from 10 to 20 times as much for skilled labor as it costs in India, China, and Japan. There is great danger ahead in this oriental competition, not only in spun silks, but in a wide range of woven goods, which are being imported and consumed in place of the silk goods manufactured here. The competition of the Orient in some lines of silk goods is already more serious than that of Europe.

It is very true that specific rates of duty have many advantages over ad valorem rates, especially because they are more easily assessed and evasions of the law are more difficult, and a very serious attempt has therefore been made to work out a plan for specific rates for the spun-silk schedule. The outcome of this study seems to be that it is not possible to formulate a strictly specific schedule which will bear evenly upon all qualities and operate with justice to all interests. The nearest approach possible is to make an ad valorem classification with graded specific rates to apply to each class.

As the value and the degree of protection required are not determined by any physical property such as size (or count), twist, or anything which can be accurately described or arbitrarily determined, value is the sole factor which can with satisfactory results be used as a basis upon which to levy duties. Yarns of the same count, twist, and number of strands are sold at the same time in different qualities at from say $1 to $3 per pound, and it is obvious that it would be grossly unjust to collect an equal tax upon the low grade as upon the high. Should the rate be fixed at a point which would give fair protection to the best grades, it would be prohibitive upon the low grade; that is, the users of first-quality yarns, as, for instance, the velvet and plush weavers, could import them very advantageously, while the consumers of low-grade yarns, such as are largely used by the weavers of silk goods, intended for piece dyeing and printing, would be at a great disadvantage.

The schedule for spun silk in the Dingley tariff law has worked well, and the records show that the duties collected upon the different qualities have, when reduced to an ad valorem equivalent, borne with a surprising degree of equality upon all. It is very doubtful if a better plan can be formulated, and it is earnestly advised that no change be made, unless it be an increase upon the lower grades.

No change should be made in the manner of levying duty upon dyed yarns, attempting to base the rate upon the weight of the yarn as it was before dyeing. In the first place the dyeing industry in this country should not be denied the protection it deserves and needs, and in the second place it would be found impossible to check declared weights, as silk is capable of being weighted to almost any extent up to, say, 300 to 400 per cent.

We remain, yours, respectfully,

CHENEY BROTHERS,
By J. W. CHENEY, *Treasurer.*

SPUN SILK, SCHAPPE, AND PILE FABRICS.

[Paragraphs 384, 385, and 386.]

STATEMENT OF SIDNEY BLUMENTHAL, OF 453 BROOME STREET, NEW YORK CITY, RELATIVE TO SILK PRODUCTS.

TUESDAY, *December 1, 1908.*

The CHAIRMAN. Upon what do you desire to be heard?

Mr. BLUMENTHAL. I represent some of the manufacturers of silk velvets.

Mr. UNDERWOOD. What is the paragraph that you wish to speak on?

Mr. BLUMENTHAL. Paragraphs 384, 385, and 386. The manufacturers whom I represent do not desire to take up the time of the committee, but merely desire to express their wish that the committee may see it possible to adopt specific duty so far as such may be equitable, and to that effect we have prepared a brief, which we would like to hand to the committee for consideration when the time comes.

The CHAIRMAN. It may be printed in the record.

(Following is the brief referred to:)

NEW YORK, *November 30, 1908.*

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIRS: On account of the difficulties in appraising values of schappe and spun silk yarns, which appraisement is necessary under an ad valorem or compound duty, we strongly advise that in the proposed new tariff law a strictly specific duty be imposed on all schappe and spun silk (including tussah silk yarns). The reasons in favor of this change are many, and we believe that the change would be beneficial to the Government and importer alike.

First. Such a change would be no experiment, as under the present law the duty on cotton yarns is solely specific and it has worked very satisfactorily.

Second. There would be absolutely no question as to the assessment and collection of the correct amount of duties, and this would be equally beneficial both to the Government and to the importers.

Third. Manufacturers of goods into which these yarns enter, usually make contracts sufficient to meet their requirements for a year or more in advance, the goods being delivered and invoiced by the foreign spinner as required. The American manufacturer has to sell the goods into which these yarns enter six to eight months in advance of deliveries, and if during the time he is making up goods there is a sudden advance in market prices of silk yarns for immediate use, and he is compelled to pay a duty based on such present market prices, a serious loss is incurred on the goods which he has already sold, and business is interrupted.

We recommend the retention of the present rates on velvets, plushes, and other pile fabrics as scheduled in paragraph 386 of the present law, and we recommend including in this schedule hatter's plush, which in the present law, under paragraph 461, in black, for use of men's hats, comes in at 10 per cent. As this is an article of luxury, there seems to be no good reason why it should not come in at the same duty as all other plushes, thereby allowing it to be made in this country. Under the present duty there are, of course, no mills making this article in the United States.

We inclose herewith schedule which we recommend to replace paragraphs 384, 385, and 386 of the present law.

Very sincerely, yours,

THE SALT'S TEXTILE MANUFACTURING COMPANY,
FREDK. E. KIP, *President.*
SIDNEY BLUMENTHAL & CO. (INC.),
SIDNEY BLUMENTHAL, *Treasurer.*
THE AMERICAN VELVET COMPANY,
CHAS. A. WIMPFHEIMER, *Proprietor.*
A. WIMPFHEIMER & BRO.

Substitutes proposed for present paragraphs 384, 385, and 386.

Par. 384. Silk partially manufactured from cocoons or from waste silk, and not further advanced or manufactured than carded or combed silk, thirty cents per pound.

Par. 385. Thrown silk, not more advanced than singles, tram, organzine, sewing silk, twist, floss, and silk threads or yarns of every description, except spun silk, thirty per centum ad valorem; tussah spun silk in singles, or advanced beyond the condition of singles by grouping or twisting two or more single yarns together, in skeins, cops, warps, or on beams, not colored, bleached, or dyed, twenty-five cents per pound on all numbers up to and including number seventy. Tussah spun silk in numbers above seventy and all other spun silk, in all numbers up to and including number two hundred and thirty, in singles, or advanced beyond the condition of singles by grouping or twisting two or more single yarns together, in skeins, cops, warps, or on beams, not colored, bleached, or dyed, forty cents per pound and one-tenth of a cent per number per pound; all spun silk yarns above number two hundred and thirty, in singles, or advanced beyond the condition of singles by grouping or twisting two or more

single yarns together, in skeins, cops, warps, or on beams, not colored, bleached, or dyed, twenty-five cents per pound and two-tenths of a cent per number per pound; if colored, bleached, or dyed, there shall, on all of the foregoing tussah and other spun silk yarns, in addition to the duties provided above, be levied, collected, and paid a further duty of five cents per pound; if dyed, and the weight is increased by the dyeing over ten per centum beyond the original weight of the undyed yarn, there shall be levied, collected, and paid a still further additional duty of ten cents per pound; the duty on colored, bleached, or dyed yarns shall be assessed, levied, collected, and paid on the weight of the yarn before bleaching, dyeing, or weighting, and such original weight and the weight after dyeing shall be stated on the consular invoice; the numbers herein referred to are the French or Continental System of numbers based on the number of meters of yarn in a kilogram of weight.

Par. 386. Velvets, velvet or plush ribbons, chenilles, or other pile fabrics, cut or uncut, composed of silk, or of which silk is a component material, not specially provided for in this Act, one dollar and fifty cents per pound and fifteen per centum ad valorem; plushes, including hatters' plush, composed of silk, or of which silk is a component material, one dollar per pound and fifteen per centum ad valorem; but in no case shall the foregoing articles pay a less rate of duty than fifty per centum ad valorem.

Substitute proposed for present paragraph 385.

Tussah spun silk in singles or advanced beyond the condition of singles by grouping or twisting two or more single yarns together in skeins, cops, warps, or on beams, not colored, bleached, or dyed, twenty-five cents per pound on all numbers up to and including seventies; tussah spun silk in numbers above seventies, and all other spun silk in all numbers up to and including two hundred and thirties singles, or advanced beyond the condition of singles by grouping or twisting two or more single yarns together in skeins, cops, warps, or on beams, not colored, bleached, or dyed, forty cents per pound and one-tenth cent per number per pound; all spun silk yarns above two hundred and thirties in number in singles, or advanced beyond the condition of singles by grouping or twisting two or more single yarns together in skeins, cops, warps, or on beams, not colored, bleached, or dyed, twenty-five cents per pound and two-tenths cent per number per pound; if colored, bleached, or dyed there shall, on all of the foregoing tussah and other spun silk yarns, in addition to the duties herein provided, be levied, collected, and paid an additional duty of five cents per pound; if dyed and the weight is increased by the dyeing over ten per cent beyond the original weight of the undyed yarn, there shall be levied, collected, and paid a further additional duty of ten cents per pound.

The duty on colored, bleached, or dyed yarns shall be assessed, levied, collected, and paid on the weight of the yarn before bleaching, dyeing, or weighting, and such original weight shall be stated on the consular invoice.

The numbers herein referred to are the French, or Continental, system of numbers, based on the number of meters of yarn in a kilogram of weight.

Schedules by comparison.

Count.	Proposed duty. 40 cents per pound and one-tenth cent per number.	Value.	Present duties.
		Francs.	*Cents per pound.*
100	$0.50	14	48½
110	.51	15	50
120	.52	16	51
130	.53	17	53½
140	.54	18	64
150	.55	19	65
170	.57	20	66
180	.58	21	67½
190	.59	22	69
200	.60		
210	.61		
220	.62		
	25 cents per pound and two-tenths cent per number.		
231	.71		
240	.73		
250	.75		
300	.85		

TUSSAH YARN.

		s. d.	*Cents per pound.*
67	$0.25	3 3	32

Referring to the tariff on schappe, spun silk, and tussah spun silk, the following recommendations should receive serious consideration:

The specific duty has, in practically every line, facilitated the work of the appraiser, assisted the prompt delivery of merchandise, and eliminated the problems of the value of materials, to find which the Government spends much money in maintaining a special service of information, and it has finally excluded attempts at undervaluation such as may have been possible under an ad valorem duty.

To the extent to which the specific rate of duty has been operative on the yarns above referred to it has, therefore, proven of great advantage, and a further step forward would, it seems evident, be to rely on the purely specific duty instead of the compound one now prevailing, partly specific and partly ad valorem.

Of course, the tariff maker must take cognizance of existing industries and how they are affected by changes in duties.

The silk spinner in this country confines himself to making purely spun silk, producing no schappe at all. It appears that one of the reasons why schappe is not produced here is because of the insanitary condition and the nauseating smell attached to making the combings fit for schappe. In so far, therefore, as it is desirable to assist the industry for spinning schappe in this country, it should be made possible and at least easier to import the combings fit for making schappe at the lowest rate of duty consistent with the cost of waste silk comb-

ings made in this country. The committee should carefully examine this point so as to make it possible to import combings, if it is desired that the spinning of schappe in this country shall be encouraged and made possible in the future.

Yarns.

The cost of making yarns from waste silk differs between foreign and American spinners, both in singles and two plys, only in the matter of labor. It is acknowledged by the most important spinners in England and in France that the amount of labor used in spinning and the expense involved is, if anything, larger when the yarns are made from a poor grade of material than from a good grade of material. In any event, it is not larger in the latter than it would be in the former instance. The staples in the lower qualities are short and the spinning is harder and all the other processes necessary are more costly. As a reasonable conclusion, a specific duty ample to pay for the difference in labor involved in producing the cheapest quality would, if made the basis for a tariff, be ample for the protection of the American spinner.

If this idea is followed out it will be evident that the natural tendency of the weaver would be toward the importation and use of higher qualities; the industry would accordingly be lifted to a higher level and the consumption of merchandise would be increased, because the consumer got better goods and the tendency toward lower-grade products would be counteracted, and while protecting the American spinner there would yet be an increased revenue to the Government due to the larger general consumption of yarns.

The basis for a purely specific duty should be made dependent upon the fineness of the yarn, insomuch as the variation in count is practically the only difference in the cost of labor and expense in producing spun silk yarns.

Cotton yarns in 100/2 equal in fineness of count spun silk or schappe of 170/2—that is to say, there are an equal number of yards to the pound in these numbers.

Cotton yarns of the fineness of 100/2 pay 33¼ cents per pound in duty; the proposed duty for schappe yarns of the same count would be 57 cents, almost double.

The proposed schedules sent herewith permit of assessing duties in a specific manner, absolutely fixed and collectible and approximating the duties now in force.

Tussah spun silk.

None of this is produced in this country, and while it may be possible to establish the industry here under a protective tariff undue weight should not be laid on the production of tussah yarns as against the importance of supplying the weaving industries now consuming and in need of such materials.

The industry of the weaving producer, which is firmly established, can be developed to a considerable degree without jeopardizing any existing (or rather nonexisting) tussah spinning plants, if a lower rate of duty is proposed on coarse counts (such as only tussah is

spun in), a rate substantially three-fourths of that imposed on other spun-silk yarns.

Dyed silk yarns.

It is a good suggestion that all dyed yarns be submitted to a duty based on the weight of the raw—that is, the undyed yarn—and both the raw and the dyed weights should be reported on the invoices.

It appears that the cost of dyeing—that is, the charges of the dyers in this country at the present time equals that of the European dyers; in other words, the dyeing is done as cheap here as it is in Europe. It is a question, therefore, to what extent a duty should be imposed on the dyeing. The only competition that European dyers offer to American dyers is in the superiority of their work, chiefly in blacks, but not in the price. It is a broad question as to how far the weaving industry should be jeopardized by excluding such foreign dyeing, which is only possible by reason of its marked superiority (not involving in any sense the difference in the labor cost).

A duty of 5 cents per pound for dyeing charges of pure dyes and weight up to 10 per cent and of 15 cents per pound for heavier weighting (all charges based on the raw weight of silk) is suggested.

It appears to be the thought of the Tariff Revision Committee that the rates of duty should be so imposed as to give advantage to countries who favor the United States, and on that idea a maximum and minimum tariff is to be made the basis of negotiations by the Government. Therefore, the scale submitted is recommended as a minimum tariff.

If a tariff law is now framed on the lines recommended by those most conversant with the needs of the industries, we all hope it will remain in operation for at least ten years to come or longer, much the same as the tariff now in force has been in existence. It is therefore wise and necessary to seriously contemplate the growing importance of those industries which are dependent on foreign spun silks and schappe, chiefly because they can not be obtained here in America.

If the weaving of silks, using spun yarns, grows at the same rate as it has been growing during the last five years the amount of schappe and spun yarns consumed in this country will be stupendous and vastly larger than the entire continent of Europe and England will be consuming.

As opposed to this, there is no prospect of the spun-silk industry or schappe industry here in America growing in anything like the proportion necessary to meet the weavers' requirements. Upon the two or three spinners now making yarn from silk waste in this country a sense of the responsibility, therefore, should weigh very heavily to explain why and to what extent the enormous weaving interests dependent upon this material should be handicapped and jeopardized in their growth, so that they, the few yarn spinners, can continue on with the present limited yarn production.

It is therefore fair to contemplate the legitimate claims and contentions for even lower rates than those herein suggested. If a lower duty than that herein proposed is adopted, a reduction corresponding to the lower cost of imported yarn in this market could be made on such imported woven goods as are made in part out of

schappe and spun-silk yarns—such as velvets, plushes, etc.—and could be readily adopted.

SIDNEY BLUMENTHAL & Co. (Inc.), *Shelton, Conn.*,
SIDNEY BLUMENTHAL, *Treasurer.*
THE SALT'S TEXTILE MANUFACTURING CO., *Bridgeport, Conn.*,
F. E. KIP, *President.*
THE AMERICAN VELVET CO., *Stonington, Conn.*,
CHAS. A. WIMPFHEIMER, *Proprietor.*
A. WIMPFHEIMER & BRO.

Mr. UNDERWOOD. On this first paragraph, "Silk partially manufactured from cocoons or from waste silk," under that paragraph, what is the amount of goods produced in this country?

Mr. BLUMENTHAL. I am not quite positive as to that, but I believe that the census statistics of the United States show that at the last census a production of 570,000 pounds of spun material, at a valuation of about a million and a half, was produced.

Mr. UNDERWOOD. There are no importations in this line of goods at all, are there?

Mr. BLUMENTHAL. I am not certain as to materials partially manufactured but not yet spun.

Mr. UNDERWOOD. You know of none in your trade, do you?

Mr. BLUMENTHAL. I am not directly concerned in the operations, excepting that we use materials similar to those which are made here, and the process of this initial operation, of one part of the manufacture, is one that I have not looked into as deeply as should be required to give you an intelligent answer.

Mr. UNDERWOOD. I do not see any report in the government statistics of any importations, and therefore I presume that the present duty is prohibitive. Do you know anything to the contrary?

Mr. BLUMENTHAL. I do not know anything to the contrary.

Mr. UNDERWOOD. And if it is a prohibitory duty, I presume there would be no objection to our making a reduction in that clause?

Mr. BLUMENTHAL. None that I can see, unless it shall cripple existing industries, which might offer serious objections to such a proposition.

Mr. UNDERWOOD. Paragraph 385, "Thrown silk, not more advanced than singles"—are you familiar with the industry in that schedule?

Mr. BLUMENTHAL. Somewhat.

Mr. UNDERWOOD. What is the production of the American article?

Mr. BLUMENTHAL. I think I mentioned it just now. The paragraph, I believe, that you refer to includes thrown silks and spun silks, does it not? I haven't the paragraph clear in my mind.

Mr. UNDERWOOD. "Thrown silk, not more advanced than singles, tram, organzine, sewing silk, twist, floss, and silk threads or yarns of every description, except spun silk, 30 per cent ad valorem."

Mr. BLUMENTHAL. There is a vast industry in the thrown-silk division of silk manufacture, and practically the largest proportion of that used in manufacture is produced in this country.

Mr. UNDERWOOD. Do you think that 99 per cent is produced?

Mr. BLUMENTHAL. I should not say as to that figure, but not very far from it; somewhere between 95 and 99 per cent.

Mr. UNDERWOOD. Most of that silk is made by machine work, is it not; not hand labor?

Mr. BLUMENTHAL. Very largely machine work.

Mr. UNDERWOOD. Therefore it could stand a reasonable reduction in order to obtain some revenue?

Mr. BLUMENTHAL. I am not sure as to that, not having given it any consideration.

Mr. UNDERWOOD. The next paragraph is 386.

Mr. BLUMENTHAL. The brief is more in regard to the other portions of the paragraph to which you have alluded. You have only referred to thrown silk. There are also other rates of duty to which this paragraph refers. In the matter of materials spun from the waste silk, concerning which you asked me before, and the duties operative now in protection of manufacture and for the purpose of giving the Government revenue, they are compound. At one time, and for many years, they were ad valorem. At the present time they are partly specific and partly value duties. We suggest in our brief, so far as possible, a specific duty, a weight duty, be practically adopted for the purpose of having stability and uniformity both in the revenue to the Government and in the protection of the manufacturer and consumer using the material.

Mr. UNDERWOOD. You have filed tables for the committee?

Mr. BLUMENTHAL. I have, sir.

Mr. UNDERWOOD. Are you familiar with the velvet schedule?

Mr. BLUMENTHAL. Rather.

Mr. UNDERWOOD. What is the amount of production in this country?

Mr. BLUMENTHAL. Production in the velvet industry has increased very, very largely during the past fifteen years; I believe more so during the past five to eight years. None the less, importations have kept pace in growth with the increase of industry, so that there has been no vital advantage apparently, either in the importer's or the manufacturer's favor.

Mr. UNDERWOOD. I notice the importations under this schedule amount to 735,000 pounds at a valuation of $2,683,000. What percentage would you say that was of the total consumption in America?

Mr. BLUMENTHAL. The foreign valuation?

Mr. UNDERWOOD. Yes.

Mr. BLUMENTHAL. That would mean duty paid about $3,500,000 or $4,000,000, I should say. I estimate the production in this country at present at from $6,000,000 to $7,000,000. So that there is possibly one-third of the total consumption imported.

Mr. UNDERWOOD. That is, one-third imported and two-thirds produced here?

Mr. BLUMENTHAL. I should think so.

Mr. UNDERWOOD. Is the price of the goods fixed by close competition in this line of goods?

Mr. BLUMENTHAL. Very much so.

SIDNEY BLUMENTHAL, NEW YORK CITY, FILES SUPPLEMENTAL BRIEF FOR AMERICAN SILK MANUFACTURERS.

NEW YORK, *December 16, 1908.*

Hon. E. J. HILL,

House of Representatives, Washington, D. C.

MY DEAR SIR: The opportunity for securing such facts as we intended to lay before the Committee on Ways and Means not hav-

ing been sufficient in point of time to allow us to have them ready when we had the privilege of presenting our brief on December 1, I take the liberty of inclosing an additional statement which I ask you to kindly bring to the attention of the Committee on Ways and Means so as to supplement and strengthen the recommendations we have made with regard to a specific duty on spun silk, schappe, etc., substantially as proposed in the schedule which was suggested to take the place of the one now in operation, covering paragraph 385, by the Salts Textile Company, Bridgeport, American Velvet Company, Stonington, and Sidney Blumenthal & Co. (Incorporated), Shelton, all of Connecticut, representing themselves and other manufacturers. We are entirely at the command of the Committee on Ways and Means for any further information that is in our power to furnish.

Thanking you for your courtesy, I am,

Yours, very truly,

SIDNEY BLUMENTHAL, *Treasurer*.

NEW YORK, *December 16, 1908*.

The WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: Since we appeared before your honorable body on December 1, we have had an opportunity to compile some further information, not available to us up to that time, which we respectfully submit for your consideration, in conjunction with the brief already filed.

The following is a list of the importations of spun silk and schappe yarns according to the figures compiled by the United States Government:

For the year—	Total pounds imported.	Average foreign value.
1890	884,000	$2.15
1891	1,820,000	2.15
1892	490,000	2.23
1893	758,500	1.77
1894	437,500	1.64
1895	843,000	1.51
1896	783,000	1.28
1897	782,000	1.35
1898	957,000	1.23
1899	1,703,000	1.15
1900	2,320,000	1.52
1901	1,645,000	1.52
1902	2,002,000	1.45
1903	1,923,000	1.46
1904	2,052,000	1.48
1905	2,304,000	1.34
1906	2,253,000	1.45
1907	2,545,000	1.50

Eighteen hundred and ninety was the last year prior to the enactment of the McKinley tariff. The McKinley tariff being in operation from 1891 to 1895, was succeeded by the Wilson tariff from 1896 up to part of 1898, and the Dingley tariff, now existing, followed at the compound rate which is now prevailing. During the McKinley tariff the rate was 35 per cent, the Wilson tariff then followed with 30 per cent ad valorem and was succeeded by a compound rate of duty intended to restore the duties to an equivalent of 35 per cent, the

point at which they were operative during the existence of the McKinley tariff. We respectfully submit that in estimating an equivalent for the ad valorem of 35 per cent the Dingley tariff was based on the value of importations, as they were made into the ports of the United States during the preceding years of 1896, 1897, 1898. It will be noticed that the average values of all importations during 1896 was $1.28; 1897, $1.35; 1898, $1.23; 1899, $1.15 per pound, the average value rising for the year 1900 to $1.52 and falling back to $1.34 in 1905. Taking this period of ten years, from 1896 to 1905, inclusive, as a basis it will be seen that the average value is somewhere between $1.15 and $1.52 for the purposes of estimating the point at which a specific duty can be fairly imposed. It will be conceded that a specific duty, if fair to the Government and to the producer in this country at a normal time, becomes doubly effective, both from the point of revenue and from the point of protection in times of depression, and is only slightly lowered in percentage at a time when the revenues are naturally increased by the larger business which causes the advance in raw materials and always at a time when the producer himself suffers least from foreign competition, a competition which is mainly injurious at times when low-priced raw materials and excess stocks on hand threaten to make it unfair.

During the period of ten years, since the compound rates now prevailing have been in existence, over 20,000,000 pounds of Schappe and spun-silk yarns have been imported into the United States. As a matter of fact, the imports of spun silk have increased between 1890 and 1905, according to the statistics of the United States Census, to the extent of 190 per cent, whereas the number of employees and the wages involved in the production of silk goods of all kinds in this country have increased by only 60 per cent, and the estimated increase of spun-silk yarns made in this country during the same period is hardly 50 per cent.

According to the census statistics of the year 1900, pages 203 and 204, the production of velvets in this country aggregated $4,959,971, chiefly in the popular grades, such as go largely into the consumption and are bought by the wage-earner of the United States. In spite of the fact that the manufacturers of these goods, through improvements in machinery and cutting down of profits, have reduced the prices of the manufactured velvets considerably during that time, it is estimated that the production of velvets and plushes in this country is now hardly less than $7,000,000, an increase of fully 40 per cent in eight years.

A still larger increase has resulted in the use of spun silks for the weaving of silk fabrics other than pile fabrics.

Furthermore, we draw your attention to the report recently issued showing that the invoice value of the importations for the year ending June 30, 1908, 2,140,848 pounds of spun silk (of a foreign value of $3,702,232), practically equaled those for the year ending June 30, 1907, of 2,545,000 pounds, at a foreign value of $3,789,845.

If the average value of imports of the years from 1896 to 1899, on which the Dingley tariff was based, is taken at $1.28 and is compared with the average value of the importations for the year ending 1908, which is $1.72, it will be seen that the consumer in 1908 was made to pay 33 per cent more duty than that which was contemplated by the schedule of the Dingley tariff bill at the time it was made effective in 1898.

Under dates of December 12 and 16, 1908, we have on file letters from the representatives of the two largest spinners of Schappe and spun silk in the world, certainly the largest importers of materials into the United States, the Société Anonyme de Filatures de Schappe of Lyons, and the Société Industrielle pour la Schappe of Basle, as follows:

Referring to your verbal request, below statement of percentage of numbers of Schappe yarns, shipped to the United States by the Société Anonyme de Filatures de Schappe, Lyons, for eighteen months from June 1, 1907, to November 30, 1908.

Numbers.....	50	70	80	85	100	110	120	140	160	200	250
Percentage...	1.26	8.89	1.07	1.16	35.78	1.02	0.20	5.52	11.30	33.97	0.10

The proportion of importations of Schappe yarn from Société Industrielle pour la Schappe of Basle, expressed in percentage, were as follows:

	70.	80.	100.	120.	140.	160.	180.	200.	250.
1907.....	.....	4.5	45.5	.....	3.0	8.75	0.75	37.5	.....
1908.....	5.25	4.5	40.0	0.25	3.0	4.00	0.375	44.5	0.125

Taking these importations as a basis for the application of specific duties such as we have proposed to the Ways and Means Committee, it is plain that the basis we have suggested would be, not only specific but also as equitable as the rates of duty heretofore prevailing. If the duty had been collected according to the aforesaid purely specific schedule, as submitted to your honorable committee, for the importations of the year 1907, it would have amounted to $1,328,875 as against the duties actually collected of $1,427,480. These were collected on an average foreign value basis of $1.50. This ($1.50) we contend is a price higher than that which served the framers of the Dingley tariff bill as a basis for computing their compound rate of duty which was intended to be equivalent to 35 per cent. Per contra, if the rates of duty we propose would have been applied to the importations for 1907 at an average foreign value of $1.40 they would have been just equal to the duty collectable under Dingley rates. One dollar and forty cents is considerably higher than the average value prevailing in the years just before and after the framing of the Dingley tariff.

The importations of the two companies whose figures are taken for this comparison are computed by number, or count, or size, because:

First. There are no government statistics accessible giving such information, grouped otherwise than by value.

Second. These two companies in the aggregate furnish (conservatively estimated) from 70 to 75 per cent of all the importations made into the United States, and it is fair to presume that the figures which they have compiled as to their importation would reasonably apply to the importations as a whole.

Respectfully submitted.

SIDNEY BLUMENTHAL & CO. (INCORPORATED),
SIDNEY BLUMENTHAL, *Treasurer.*
THE SALTS TEXTILE MANUFACTURING CO.,
FREDK. E. KIP, *President.*
THE AMERICAN VELVET CO.,
CHAS. A. WIMPFKIMER, *President.*

THE CHAMPLAIN SILK MILLS, WHITEHALL, N. Y., SUBMITS A TENTATIVE SCHEDULE FOR SPUN SILK.

WHITEHALL, N. Y., *February 2, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: A serious attempt having been made to lower the duties now fixed on spun silk imported from abroad, we desire to call your attention to causes underlying this request, and the reason why it should not be granted. On the 1st of December last there was submitted by Sidney Blumenthal, at the hearing conducted by you for the consideration of silk schedules, a memorandum signed by himself and others, requesting a change in the tariff schedules covering spun silk, but it may be noted at once that these gentlemen recommended "the retention of the present rates on velvets, plushes, and other pile fabrics," articles in the manufacture of which spun silk is used. The reason assigned for requesting the change in the tariff on spun silk was that specific duties would be more agreeable than the present form, which might be called a compound or mixed form, partly ad valorem and partly specific. Carefully reading the report of the proceedings had before you on that day, we can not find anywhere a frank statement on the part of the then petitioners that they desired a lesser duty on spun silk, but we do find proposed duties on a purely specific basis that are decidedly lower than what now prevail. The questions asked of Mr. Blumenthal by members of your committee would indicate that at that time you were not aware that the parties appearing before you and presenting to you a proposed schedule of tariffs on spun silk were not spun-silk manufacturers. Your attempt to obtain information from Mr. Blumenthal by questioning disclosed the fact that he had no intimate knowledge of the industry. Of course, the truth of the matter, as no doubt you are aware at present, is that the signers of the petition filed with you on December 1, presented by Mr. Blumenthal, were each and every one importers and users of spun silk, but not manufacturers. They desired as low a duty as they could obtain on spun silk. They were quite willing to retain their present duties on plushes and velvets, but their reason for presenting the schedule was that they prefer specific duties on spun silk.

The schedule prepared by them, called "Schedule by comparison," does not correctly set forth the real protection afforded, nor the real duties collectable on spun silk yarns manufactured in this country, this because the lower or cheaper grades of spun silk yarns are the ones that have been imported, while the higher or better grade yarns are the ones that have been manufactured in this country. The partly ad valorem duties under the present law are sufficient to give the American spinner protection on the higher grade of goods, and are insufficient to protect him on the lower grade of goods; hence it has been the lower grade of goods that has been imported in major part, and per pound duty collected would necessarily be lower than what it would be if the higher grade of yarn, such as is manufactured in America, had been equally imported. To accept the per pound duty collected under the present law as a proper basis of specific duty

would be to take a figure that has been too low to protect the American spinner on the cheaper yarns and would certainly be too low to protect him on the higher grade yarns. The net result of such a method of fixing a new duty would be to deprive the American spinner of all protection.

In the report of your proceedings this statement is found, made by Mr. Blumenthal and others: "The spun-silk manufacturer in this country confines himself to making purely spun silk, producing no schappe at all." It may be startling to your committee to be informed in the face of such a statement that there is absolutely no difference between schappe and spun silk, that the two things are identical—that they are interchangeable terms and exist only in the difference in language of the countries that produce the goods. Not to burden you with too lengthy an argument, we will sum up this phase of the matter by saying that this question was judicially passed upon by the Board of Appraisers of the port of New York, in which instance it was decided that spun silk and schappe are the same thing. (F. Vietor & Achiles *v.* United States, No. 3959.) There is a slight variation in the early processes of making spun silk (or schappe) in various countries. The European continental spinner and the English spinner differ in this regard. In America both processes are being used. As the industry in this country is younger than either in England or Europe, it has adapted methods from both regions.

Based on this misleading idea of a difference between schappe and spun silk, a request was made of you to remove the duty from the combings of schappe, and this was done on the plea that it would assist the industry for spinning silk yarns in this country. We would explain to you that the combings are the result of about the fourth or fifth operation in the production of spun silk, operations which at least require as much skill (in fact they require more skill) as subsequent operations, and for the performance of which a great deal of labor and machinery is required. Without doubt the European spinner can produce his combings cheaper than the American spinner, because he can perform every process in the manufacture of spun silk cheaper, and to allow the combings to come in free of duty would be simply to deprive the American spinner of just that much protection. It would make practically valueless a large investment in equipment, consisting of buildings and machinery, and would throw out of employment a large proportion of those engaged in the spun silk industry. The men performing these operations, particularly the combing, or dressing, as it is sometimes called, are specially trained for this work, just as a machinist or carpenter is trained for his particular work, and to deprive the comber or dresser of his field of employment would be to change him from a skilled mechanic to a common laborer. In fact, there would be as much justification for bringing in silk yarn in the unfinished state, but further along in process, let us say before it was doubled and twisted, or gassed. Undoubtedly the European spinner could land it in this country at a price much cheaper than the American could produce it (were the tariff to be removed on the article so unfinished), and a very small amount of labor would then be used to finish the article. If the argument were to be carried along sufficiently, we would reach the absurd conclusion that bringing the yarn in all but bundled would

be still more desirable. The amount of labor employed in bundling the yarn, however, would hardly justify any protective tariff whatever.

WHY A COMPARATIVELY LARGER AMOUNT OF SPUN SILK USED IS NOT PRODUCED IN THIS COUNTRY.

Some criticism has been directed against the American spinner because he does not produce a larger proportion of the yarn used in this country. The fact is pointed to that there is an importation of about 2,500,000 pounds, two-thirds of the entire consumption. If there were no tariff at all, we assure you, gentlemen of the committee, that there would be no spun silk made in the United States; if the protection were not larger, but differently specified, we believe that practically all of the spun silk used in this country would be manufactured here. There is no theoretical or practical reason that would prevent this. Every form or grade of spun silk can be made in this country, but the American spinner has been confined to the higher grades, especially of late years. It is interesting to note how this occurred. When the tariff was originally placed upon spun silk, a certain percentage was fixed on the value of goods imported. Spun silk at that time was considerably higher in price per pound than to-day, because the raw material from which spun silk is made was then much higher than it is to-day. The per pound duty which Congress originally intended spun silk to have, on account of fixing the duty on an ad valorem basis, was never realized, excepting for a very short time. As soon as the price of raw material dropped, the price of spun silk dropped and the per pound duty dropped. The American spinner found himself deprived of a large portion of the protection that Congress had intended he should have. Fortunately, on the higher grade of goods there was still enough duty to cover the difference in cost of labor in Europe and America, and the American spinner continued making the higher grades in competition with the foreigner, and as the country's business has expanded so has the spun silk industry of America, but only in the narrow field indicated. On the cheaper yarns he has always been outstripped by the European; on the better grades there has always been a steady growth of the industry, but because of its being confined to so narrow a field and because of the narrow margin of protection, the spun silk industry of the United States has not expanded as have other textile industries that have been afforded a much greater protection. There are instances of spun silk manufacturers in this country who have found the field for the woven article much more inviting and have expanded as weavers to a far greater extent than they have as silk spinners, these weavers purchasing a large portion of the yarns they use from Europe. Had the protection been sufficient, these parties would have expanded their spun silk business just as rapidly as their weaving departments, and have given employment to thousands of individuals in this country instead of Europe. This would not only have had an effect on the labor of the spun silk industry direct, but all those lines which are a source of supply, machinery, etc., for the spun silk industry. If Congress would establish the per pound duty originally intended on spun silk and would protect the American spinner on the cheap grades as well as the better grades, the American

spinner would produce all the yarn that is needed in this country, the same as the velvet manufacturers produce practically all the velvet that is required in America.

A new and grave danger has arisen in the last few years to the American spinner of silk yarns. Backed by enormous capital, abundant supply of cheap labor, proximity to the great source of supply of the raw material, the Japanese and other orientals threaten to drive the American manufacturer out of existence. Nothing but sufficient protection can preserve our American industry against oriental competition.

We are not opposed to a specific duty that will sufficiently cover the difference of labor now existing between this country and others on all grades. As shown above, had we had a specific duty from the beginning, we would now be further advanced. What we object to is the attempt of users to lower the protection afforded us, which is absolutely necessary for our existence, on the theory that it would cheapen their product. Of course, the removal of tariffs on any industry in this country not as well developed and well fortified in the way of labor and otherwise as the same industry in other countries would cheapen the product and all articles manufactured therefrom. No doubt, plushes and velvets, and other woven articles might be cheaper if there were no duty on spun silk, but equally possibly, dresses might be cheaper if there were no duty on the fabrics, and so on down the line. Each manufacturer might ask that the material which he uses be unprotected; thus down the line until we undermine the whole theory of tariff protection. We deem it unnecessary to argue this question as to whether there should be tariff protection or not, as the members of this committee, and Congress will attend to that particular subject, having apparently, without question, received their instructions from the people at the polls at quite a number of elections in the past.

Frankly advocating the protective system as being the foundation for the wonderful growth and prosperity of our country, we ask of you to afford us the same protection, comparatively, as is afforded to other industries, thus enabling our industry to grow to its proper proportions, and give employment to a properly large amount of capital and a same large number of people, the number reaching into the thousands.

The spun silk manufacturers of America, we may suggest in all modesty, are possessed of the same average business acumen and intelligence as are possessed by the average manufacturer in other lines. They have no obstacle to their growth, excepting the difference in labor between this country and other countries, and if this difference be removed by a sufficient protection, their industry will become as important a factor as that of any other branch of textile manufacturing.

We submit herewith a schedule and a comparison of the duties heretofore paid and collectible under the present tariff law. We have asked for a specific duty, which would amount to an increase on the lower grades, thus enabling us to manufacture the same; on the higher grades, we are asking for the same, or less, than we have always received. While it has not made us immensely wealthy, it has allowed us to manufacture and make a reasonable profit. We assure

your committee that the difference in cost of labor in Europe for manufacturing spun silk, plus expenses (expenses not including mere corporation salaries, but all the essential expenses for the running of the business), is over $0.80 a pound.

The following schedule gives data for four years, 1904, 1905, 1906, and 1907, to bring the matter up to date. This schedule shows the importations of spun silk during these periods, classified as to value, so as to correspond with the present partially ad valorem scheme of levying duties, and shows the number of pounds of the different values imported each year, foreign value, the duty on each quality, and the cost made up of the invoice value plus the duty. To arrive at the exact selling price of this imported yarn in this country, however, there should be added to the figures in the fifth column freight, marine insurance, brokerage, etc.

Schedule showing importation of silk into the United States during the years of 1904, 1905, 1906, and 1907.

1904.

Value.	Foreign value per pound.	Duty per pound.	Cost (price and duty) here per pound.	Pounds.
Not exceeding—				
$1 per pound	$0.78	$0.31	$1.00	323,988
$1.50 per pound	1.34	.50	1.84	1,019,830
$2 per pound	1.62	.64	2.26	717,449
$2.50 per pound	2.12	.81	2.93	33,654
$3 per pound	2.68	1.00	3.68	1,280
Total				2,096,201

1905.

Not exceeding—				
$1 per pound	$0.72	$0.30	$1.02	459,573
$1.50 per pound	1.36	.50	1.86	991,538
$2 per pound	1.71	.65	2.36	857,618
$2.50 per pound	2.26	.84	3.10	18,525
$3 per pound	2.59	.99	3.58	383
Total				2,327,637

1906.

Not exceeding—				
$1 per pound	$0.71	$0.30	$1.01	360,549
$1.50 per pound	1.37	.50	1.87	1,043,373
$2 per pound	1.78	.65	2.43	896,425
$2.50 per pound	2.22	.82	3.04	10,306
$3 per pound	2.70	1.00	3.70	322
Total				2,310,975

1907.

Not exceeding—				
$1 per pound	$0.78	$0.31	$1.09	315,120
$1.50 per pound	1.35	.50	1.85	492,042
$2 per pound	1.82	.67	2.49	238,457
$2.50 per pound	2.25	.83	3.08	507,728
$3 per pound	2.50	.97	3.47	14,961
Total				2,568,208

By examination of this schedule we find that there were imported the following amounts of spun silk:

	Pounds.
1904	2,096,201
1905	2,327,637
1906	2,810,975
1907	2,568,208

The year 1907 was abnormal in many ways; prices soared in all grades of goods, due to the unprecedented prosperity of the country; all manufacturers increased their capacity, as did the spun-silk manufacturers, but the sudden increase in trade could not be met by as sudden an increase in production. Leaving the year 1907 out of consideration, we find by examination of this schedule that as long as the duty collected was below $0.85 the foreigner could import at liberty, that as soon as the duty collected passed the $0.83 mark the importations became comparatively less, but it must also be noticed that the duty never, on any grade, was prohibitive; the foreigner could always compete with the American. While these importations were going on there was a production of spun silk of about 1,000,000 pounds a year in this country. A careful computation of the selling prices, for the last five years, of domestic spun silk shows the average to have been about $2.83 per pound; thus you will perceive that, while a third of the yarn used in this country was produced here and two-thirds imported, the third which was made in this country was of the higher-priced goods. The reason for this is that so long as the duty under the ad valorem scheme was less than $0.83 per pound the American was not in position to compete with the European; the American manufacturer's business was confined entirely to the higher grades. Had he had the same per pound protection for the cheaper goods, he would have been in position to have competed on all grades of spun silk used in this country.

Within this limited field of high-priced goods the American manufacturer has made steady progress, and there is to-day a capacity of about 1,250,000 pounds per annum. If the duty were to be made below the $0.83 per pound mark on the higher-priced goods, as it has been upon the lower grade of goods, the American spinner's business would be sacrificed. The amount of labor upon the lower grade of goods is about the same as upon the higher-grade goods—at least as much—and, therefore, the lower-grade goods never had sufficient protection to make up the difference in labor in this country and in Europe. By fixing a specific duty of $0.85 all around the American manufacturer would be protected on all classes of spun silk, and the result would be that three times the capital and three times the amount of labor would be employed in the manufacture of spun silk as at present. Such a specific duty and protection, while increasing and enlarging the industry in America, would do no harm, even supposing, which is most unlikely, that the American spinner would not respond to this incentive of a reasonable profit on the lower goods as well as on the higher-grade goods, for the importations would continue. The result would be a higher revenue to the Government, a slightly increased cost of the fabric woven from silk, which, being purely an article of luxury, no hardship would ensue, nor would the manufacturer of woven goods (that is, he who uses spun silk) be injured, as his protection would still be

ample. Right here it is important to impress upon the mind the fact that spun silk has received less protection than any other branch of the silk industry, therefore the slow increase of the spun-silk industry, as compared to velvets, plushes, and other silk lines. The highest protection under the ad valorem scheme accorded the spun-silk manufacturer enabled him to make only a meager business profit; none the less, his manufacturing capacity has increased slowly, but surely, year by year, and is to-day increasing, but only within the narrow field of higher-priced goods, as set forth above.

There has been filed with your committee a proposed schedule of duties covering the silk industry by a committee of the Silk Association of America. This committee is appointed by the Silk Association, but it must be made clear that it does not act for any individual member of the association, and no member of the association is bound by its suggestions, for the reason that its schedule is filed without consultation or authorization of the individual manufacturers. In the present instance the schedule thus proposed by the silk committee covering spun silk was never referred to the undersigned for observation, criticism, or approval. The gentlemen composing the membership of this Silk Association committee all have interests adverse to the spun-silk manufacture. One member of this committee, a gentleman of highest integrity and great ability, it is true, is a spun-silk manufacturer, and a large one, but he is a much larger manufacturer of goods made from spun silk. He is not a specialist in spun-silk manufacture, such as we are, and he could well afford to use the spun silk which he produces himself, and receive his protection through the finished article. It can well be a matter of indifference to him whether he increases his spun-silk manufacture or his weaving, and it may well be that he prefers to increase his weaving, as the latter is much more profitable, and much less vexatious. He purchases a large part of the spun silk which he uses, that is, the cheaper grades, and he may be well content to have the tariff on the cheaper grades as low as formerly, and even to accept a reduction of the tariff on the higher grades, as long as he receives his full protection on the woven article which is made from spun silk.

All the other members of the committee could buy spun silk cheaper if the tariff were reduced. For these reasons, the schedule proposed by the Silk Association committee is not one that represents the real interest of the spun silk manufacturer, nor, as it happens, the real interest of the Government, nor the real interest of the people of the United States, conceiving a protective policy as a whole to be desired. The spun silk industry should be able to furnish labor to thousands of people in this country that are not now employed therein; the 2,500,000 pounds and over of spun silk that are yearly imported could be made in this country, and these 2,500,000 pounds per annum of the past would soon be (with a natural growth of the silk industry) 3,000,000 and 4,000,000. There is not one reason, aside from the labor cost, why spun silk can not be made as well in this country as in Europe. Its process of manufacture is thoroughly understood, the nucleus of skilled and unskilled labor is here, the business organization is here. Just as other industries which were European were made American by protection (instances are too thoroughly in mind of this committee to need even enumeration), so spun silk can be made an American industry, to answer all the needs of the American

consumer. There would follow a far-reaching effect in other lines through the growth of this industry. At present, most of our machinery and many of our supplies must be brought from Europe; with the growth of the industry here, there would speedily arise the manufacture of machinery needed and the necessary supplies, and once the American machine builder becomes interested in the manufacture of spun silk (and the amount of such machinery needed would be enormous) we would find the inventive faculty that has modernized other industries pushing the American manufacture of spun silk ahead of the European. The American machine builder, while he has done wonders for the cotton and woolen industry, has never exerted his wonderful ingenuity in behalf of spun silk. With an industry three or four times, or possibly five times, as large to cater to, the American machine builder's interest would be aroused, and another industry, employing much skilled labor, would be benefited.

We append herewith a schedule showing the duties per pound as they now exist, the duties per pound under the proposed schedule of the Silk Association, and the duties per pound as proposed by us. It will be seen that the Silk Association schedule calls for a decided cut in protection. Our schedule proposed would lower the tariffs on the very highest grade goods and raise them on the lower grades. We really strike a fair average. The difference in any case is not enormous. Speaking generally, the raise in duties on the lower grades between our schedule and that of the Silk Association is about 14 cents a pound, but it is just enough to make up the profit on spun silk. We can not impress this too firmly on the minds of your committee. The profit, after allowing for necessary expenses, depreciation, ordinary interest on the money invested, is, on the average, not above this 14 cents per pound. To gain 14 cents a pound in behalf of the weaver of silk would benefit him but little, if any; to cut off 14 cents more a pound from the spun silk manufacturer would spell his destruction; to place a higher duty on the lower grades of spun silk would increase the revenues of the Government without injury to anyone, until such grades were made in this country. When these grades of goods are made in this country, it will bring employment to thousands of people.

Any further information in particular that we can furnish you we will exert ourselves to supply.

Respectfully submitted.

CHAMPLAIN SILK MILLS.

EXHIBIT A.

SUGGESTED SCHEDULE.

Silk manufactured from cocoons or from waste silk of any kind and no further advanced or manufactured than carded or combed silk, 40 cents per pound.

Threads or yarns, if single, 50 cents a pound, plus one-quarter of a cent per pound per number; if two-ply, 60 cents a pound, plus one-eighth of a cent per pound per number; if three or more ply yarn, 60 cents a pound, plus one-quarter of a cent per pound per number; if in the gray, on bobbins, spools, or beams, 10 cents per pound addi-

tional; if colored, bleached, or dyed in skeins, 10 cents per pound additional; if colored, bleached, or dyed on bobbins, spools, warps, or beams, 20 cents per pound additional.

In assessing the duty on thread or yarn manufactured from cocoons or from waste silk, the number shall be that indicated by the French or metric system of 1,000 meters per kilogram per number; in all cases the number shall refer to the size of singles of which said yarn is composed.

EXHIBIT B.

Application of various tariff schedules and proposed schedules to spun silk yarns of various sizes and values.

Size of yarn, French count.	Foreign cost.		Duty at 37½ per cent.	Duty under present tariff.		Duty under Silk Association schedule per pound.	Duty under our proposition per pound.
	Per kilo.	Per pound.		Per pound.	Per cent.		
	Francs.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
	31.50	2.75	1.035	1.015	36.8	0.70	0.85
	30.00	2.63	.985	.995	37.8	.70	.85
	29.00	2.54	.95	.98	38.6	.70	.85
	28.50	2.50	.935	.88	35.8	.70	.85
	27.50	2.41	.905	.86	35.7	.70	.85
2-200	26.00	2.28	.855	.84	36.8	.70	.85
	24.50	2.14	.80	.82	38.3	.70	.85
	23.00	2.01	.755	.80	39.8	.70	.85
	22.75	1.99	.745	.70	35.2	.70	.85
	21.50	1.88	.705	.68	36.2	.70	.85
	20.50	1.79	.67	.67	37.4	.70	.85
	30.00	2.63	.985	.995	37.8	.64	.77
	29.00	2.53	.95	.98	38.6	.64	.77
	28.50	2.50	.935	.875	35.0	.64	.77
	26.00	2.28	.855	.84	36.8	.64	.77
2-140	24.50	2.14	.80	.82	38.3	.64	.77
	23.00	2.01	.755	.80	39.8	.64	.77
	22.75	1.99	.745	.70	35.2	.64	.77
	21.00	1.84	.69	.675	36.7	.64	.77
	19.00	1.67	.625	.65	38.9	.64	.77
	17.50	1.53	.575	.63	41.2	.64	.77
	17.00	1.49	.56	.525	35.2	.64	.77
	29.00	2.54	.95	.98	38.6	.55	.75
	28.50	2.50	.935	.875	35.0	.55	.75
	26.00	2.28	.855	.84	36.8	.55	.75
	24.50	2.14	.80	.82	38.3	.55	.75
	23.00	2.01	.755	.80	39.8	.55	.75
1-100	22.75	1.99	.745	.70	35.2	.55	.75
	21.00	1.84	.69	.675	36.7	.55	.75
	19.00	1.67	.625	.65	38.9	.55	.75
	17.50	1.53	.575	.63	41.2	.55	.75
	17.00	1.49	.56	.525	35.2	.55	.75
	16.00	1.40	.525	.51	36.4	.55	.75
	15.00	1.31	.49	.495	37.8	.55	.75
	14.00	1.23	.46	.485	39.4	.55	.75

THE AMERICAN SILK SPINNING COMPANY, PROVIDENCE, R. I., SUBMITS WHAT IT CONSIDERS AN EQUITABLE CLASSIFICATION AND RATE FOR SPUN SILK.

PROVIDENCE, R. I., *February 11, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Referring to your esteemed favor of the 4th instant, I herewith respectfully submit our reasons for protesting against the proposed change in duty on spun silk, and suggest the adoption of a

schedule which will be beneficial to the country at large, and which will enable our industry to live and grow.

To put it concisely, there are three strong reasons which we would urge for not lowering the present duty by 15 to 20 per cent as proposed:

1. The saving to the consumer based on a variation of a full 25 cents per pound would be at the most 2 cents per yard on a yard of silk or velvet of an average grade such as we inclose both finished and unfinished. This difference is infinitesimal particularly on a luxury.
2. About 70 per cent of all imported spun silk yarns are manufactured by two continental trusts—the Société Anonyme and the Société Industrielle—which are combined as to absolute dictation of prices, amount of output, division of territory, increase of machinery, etc.
3. As the proposed reduction falls heaviest on a quality which would be the largest amount of our output, it would virtually put us out of business.

This last reason is, of course, the principal one with us. We can submit sworn affidavits as to wage schedules and prices paid in Switzerland and Italy, the two lowest priced labor countries in Europe.

Incidentally a lower tariff would reduce the income of the Government at least $750,000 on a luxury.

In place of the proposed schedule submitted by the committee of the Silk Association of America, we respectfully recommend the following schedule:

Silk manufactured from cocoons, or other waste silk of any kind, if not further advanced in manufacture than carded or combed silk, 40 cents per pound; if threads or yarns, and valued at not over 90 cents per pound, 35 cents per pound; if threads or yarns in the greige, not dyed or bleached, valued at over 90 cents per pound, in skeins, warps, or cops, etc. (p. 4 of proposed schedule), 50 cents per pound and one-fourth cent per number per pound, weight of cops to be included in weight in which duty is assessed; if advanced beyond the condition of singles by grouping or twisting two or more single yarns together, 60 cents per pound plus one-fourth cent per number per pound; if on bobbins, spools, etc. (p. 4 of proposed schedule), the rest of the schedule would be acceptable as proposed by the Silk Association schedule.

Yours, very respectfully,

AMERICAN SILK SPINNING COMPANY,
M. C. MIGEL, *Treasurer.*

ARTIFICIAL SILK.

[Paragraph 385, under provisions of section 7.]

BRIEF OF AMERICAN BRAID MANUFACTURERS RELATIVE TO ARTIFICIAL SILK AND HORSEHAIR BRAIDS.

682 BROADWAY, NEW YORK CITY,
Saturday, November 28, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish briefly to give you an idea of the importance of this industry.

1. It employs directly about 35,000 people besides giving employment indirectly to many thousands of employees of box manufac-

turers, paper manufacturers, printers, lithographers, dyers, spinners of cotton and wool, and silk throsters, and represents an investment of $12,000,000 to $15,000,000.

2. The braid industry of the United States began in about 1850, at which time there was a limited amount of cotton braids manufactured in the United States.

3. The first wool braid manufactured in the United States was in 1860 and this was worsted skirt braid used for binding the bottom of ladies' dresses. Later they commenced manufacturing pure dye silk braids for use on men's wear, and only a few firms were manufacturing fancy braids and trimmings.

4. The latter industry did not make much progress until the enactment of the McKinley protective tariff in 1890.

5. When the Wilson tariff bill became a law the industry received a setback. The lower tariff on braids, as well as other articles, permitted the import of braids cheaper than the American manufacturer could produce them. This condition lasted until the Dingley bill (the present tariff of 1897) became a law.

6. This put a better protection on these goods so that progress was again made.

7. Shortly after the Dingley bill became a law new materials were invented called "artificial silk" and "artificial horsehair," which were used largely in the manufacture of braids and trimmings.

8. As these materials and the braids and trimmings made therefrom were not known at the time of the enactment of the Dingley tariff, they were not therein provided for. Consequently the American manufacturers did not receive sufficient protection on braids and trimmings made from these materials. Large quantities were imported from Europe owing to insufficient protection. The duty on artificial silk was assessed at 30 per cent and on artificial horsehair 20 per cent. The braids and trimmings made from artificial silk were assessed at 60 per cent ad valorem, which gave us a protection of only 30 per cent above the duty on the material instead of 60 per cent as on other braids and trimmings made from silk, wool, and other materials.

9. Braids made of artificial horsehair were assessed at 20 per cent, thereby giving the industry no protection on these braids, as both the raw material and the manufactured article were assessed at the same rate of 20 per cent ad valorem.

10. In braid manufactured in the United States the material consumed is approximately 40 per cent of the cost and the labor and expenses are 60 per cent of the cost.

11. In Europe, where most of this class of goods is manufactured, the labor and expenses are about one-third of what they are in this country. Therefore, assuming that their material costs them the same as ours (through our having a compensatory duty to cover the duty on the material) their material would amount to 40 per cent of our cost and their labor and expenses would be only one-third of 60 per cent of our cost, which would be equal to 20 per cent, thus making their total cost equal to 60 per cent of our cost.

12. If 60 per cent ad valorem duty be added to this (in addition to compensatory duty, to cover duty on material) it will make their total cost landed, with 60 per cent duty added, equal to about 96 per

cent of our cost, which would result in putting us in a position to compete with them without said rate of duty being at all prohibitive.

13. We therefore ask on all our braids a compensatory duty equal to the duty assessed on the raw material and in addition thereto 60 per cent ad valorem.

14. On trimmings made from braids, or trimmings in which braids are used, there should be an extra duty to cover the difference in cost of the extra labor necessary to make these trimmings, as the price for labor on these trimmings in Europe is equal to 25 per cent of the price paid for the same labor in the United States, and we therefore ask to have a new paragraph inserted covering such trimmings.

Respectfully submitted.

BRAID MANUFACTURERS OF THE UNITED STATES,
HENRY W. SCHLOSS, *President.*

STATEMENT OF CHARLES A. ERNST, OF LANSDOWN, PA., REPRESENTING MANUFACTURERS OF ARTIFICIAL SILK AND ARTIFICIAL HORSEHAIR YARNS.

TUESDAY, *December 1, 1908.*

The CHAIRMAN. You wish to be heard upon artificial silk?

Mr. ERNST. Yes.

Mr. UNDERWOOD. What is the paragraph, Mr. Ernst?

Mr. ERNST. Paragraph 385.

The CHAIRMAN. You may proceed, Mr. Ernst.

We represent the manufacturers of artificial silk and artificial horsehair yarns of the United States.

These goods were not produced at the time of the enactment of the Dingley tariff law of 1897, and therefore were not provided for therein. Although this industry is still in its infancy, there are already produced in Europe more than 10,000,000 pounds annually, of which more than 1,000,000 pounds are imported into the United States each year.

In the United States this industry is just out of the experimental stage, and there was produced last year about 40,000 pounds.

These yarns have been assessed at various rates of duty under the similitude clause, according to the different rulings of the courts. According to the last ruling now in force artificial silk yarn is assessed at 30 per cent ad valorem and artificial horsehair yarn is assessed at 20 per cent ad valorem.

We strongly recommend that a duty on all these yarns be made a specific duty at the rate of 60 cents per pound, which is just about sufficient to compensate the American manufacturer for the difference between the cost of labor in Europe and in this country.

As the European price of these yarns does not fluctuate much, the minimum being about 13 marks per kilo and the maximum being about 17 marks per kilo, or an average of 15 marks per kilo, which is equivalent to $1.62 per pound, this duty of 60 cents per pound which we request would therefore be equivalent to about 37 per cent ad valorem and is the very lowest duty at which this industry could successfully compete with the European manufacturers.

To enable the consumers of these yarns in this country, who are principally manufacturers of braids and trimmings, to compete with the European manufacturers of braids and trimmings, we recommend that a compensatory duty of 60 cents per pound be assessed upon artificial silk braids and trimmings (to compensate for the same duty on the yarn) in addition to the protective duty of 60 per cent ad valorem.

We add hereto a new paragraph, which we recommend to be inserted in Schedule L, covering artificial silk and artificial horsehair yarns:

"Artificial silk, wood silk, artificial horsehair, or any kind of artificial fiber, filament, thread, or yarn, in whatever way manufactured from a solution of either animal, vegetable, or inorganic material, shall pay a duty of 60 cents per pound. If colored, bleached, dyed, spooled, or advanced beyond the condition of singles by grouping or twisting two or more single yarns together, the duty levied shall be 60 cents per pound and 5 cents per pound additional for each of the above operations."

I represent the Genasco Silk Works, Lansdowne, Pa., and Henry Bernstein of the Art Fiber Co., Norristown, Pa.

Mr. UNDERWOOD. What is the present duty that you are paying under this similitude clause?

Mr. ERNST. The present duty is 30 per cent ad valorem.

Mr. UNDERWOOD. What would a 60 cent a pound duty amount to ad valorem?

Mr. ERNST. About 37 per cent.

Mr. UNDERWOOD. In other words, you want an increase of duty of 7 per cent?

Mr. ERNST. Exactly.

Mr. UNDERWOOD. What is the consumption of this class of goods in this country to-day?

Mr. ERNST. They are importing at this time about 1,000,000 pounds of silk and about 200,000 pounds of horsehair yarn.

Mr. UNDERWOOD. What is the production of the American manufacturers in silk?

Mr. ERNST. Last year about 40,000 pounds.

Mr. UNDERWOOD. And of horsehair yarn, how much?

Mr. ERNST. Last year it was trifling. The year before that about 10,000.

Mr. UNDERWOOD. So that at present the foreign article has control of the American market?

Mr. ERNST. Exactly.

Mr. UNDERWOOD. And the present duty is not sufficiently equalized?

Mr. ERNST. We have not been able to put the American manufacture on a basis which is sufficiently attractive for anyone to invest any more capital in it.

Mr. UNDERWOOD. Are these goods machine made or handmade?

Mr. ERNST. Largely labor; a large portion of the cost is labor cost.

Mr. UNDERWOOD. Where does the imported article come from?

Mr. ERNST. The principal factories are in Besançon, France; Tubize, Belgium; Elberfeld, in Germany, and Spreitenbach, a little town near Frankfort. There is also one in England near Coventry.

Mr. UNDERWOOD. What is the difference in labor cost between this country and the other countries?

Mr. ERNST. About 60 cents a pound.

Mr. UNDERWOOD. Have you any advantage in the raw material over the foreign producer?

Mr. ERNST. No, sir. We are at a little disadvantage in chemicals, but that is about compensated for by the freight charges and other incidental charges of importation.

Mr. HILL. Do the factories that are making artificial silk in the United States use a chemical process or alcohol?

Mr. ERNST. A chemical process. Alcohol is not used in any process in the United States.

Mr. HILL. Where is your factory?

Mr. ERNST. At Lansdowne, near Philadelphia; a suburb of Philadelphia.

Mr. HILL. The process in Europe has not been adopted?

Mr. ERNST. There are two processes over there, one consuming alcohol and the other not.

Mr. HILL. You do not use alcohol?

Mr. ERNST. We do not use it; no.

Mr. GAINES. Has not the denaturing of alcohol made it cheap enough to be used in that process?

Mr. ERNST. It was supposed to before the law was passed, but it was afterwards found that the labor cost was too high to enable it to be established here on that basis.

STATEMENT OF A. S. WAITZFELDER, OF 682 BROADWAY, NEW YORK CITY, REPRESENTING THE BRAID MANUFACTURERS' ASSOCIATION, HENRY W. SCHLOSS, PRESIDENT.

TUESDAY, *December 1, 1908.*

Mr. UNDERWOOD. What paragraph do you wish to speak upon?

Mr. WAITZFELDER. A paragraph that is not provided for in the present tariff, artificial silk braids. I have some samples here of the goods. [Exhibiting samples to the chairman.] They are made of artificial silk.

We represent the braid manufacturers of the United States. We manufacture braids and trimmings, made of various materials, which are treated in the tariff in various schedules and in relation to which we have already filed several briefs.

Since the enactment of the present Dingley tariff law of 1897, new materials known as artificial silk and artificial horsehair have been invented which were not known at that time and which have since become the materials most largely used in the manufacture of braids and trimmings. These yarns are manufactured from solutions of cellulose, etc. The braids and trimmings made from these yarns show a brilliancy and firmness not obtainable from any other material and have therefore to a large extent supplanted the use of real silk in the manufacture of braids and trimmings.

These yarns and the braids and trimmings made therefrom were not known at the time of the enactment of the Dingley tariff law and were consequently not provided for therein.

They have been assessed at various rates of duty according to different rulings of the courts, under the similitude clause in the

tariff act. According to the last ruling, now in force, artificial silk yarn is assessed at 30 per cent ad valorem and artificial horsehair yarn is assessed at 20 per cent ad valorem. Artificial silk braids and trimmings are assessed at 60 per cent ad valorem.

This therefore gives the domestic manufacturer of artificial silk braids and trimmings a differential duty of only 30 per cent ad valorem above the duty assessed on yarns used in these braids and trimmings. On real silk braids and trimmings, as well as on worsted braids, we have a differential protective duty of 60 per cent ad valorem above the duty on the raw material, which is the very lowest rate of duty at which we are enabled to compete with foreign manufacturers. This is evidenced by the fact that even on those braids and trimmings on which a 60 per cent differential duty is assessed there have been large importations.

It can therefore be readily seen that with only 30 per cent differential duty on artificial silk braids and trimmings, the domestic braid manufacturer is absolutely in no position to compete with the European braid manufacturer, except when braids and trimmings are in such demand that a prompter delivery can be made than by placing orders abroad.

The record of imports bears out these facts, showing that since artificial silk braids and trimmings have been manufactured the importation of braids and trimmings has enormously increased. We therefore recommend the insertion of, in Schedule L, a new paragraph covering artificial silks and artificial horsehair yarns, and assessing thereon a specific duty which will cover the difference between the cost of labor here and abroad in the manufacture of these yarns.

On braids, trimmings, etc., made from these yarns, we recommend a compensatory duty equivalent to the duty assessed on the yarn, and in addition thereto 60 per cent ad valorem.

This would give us the same protection on these braids and trimmings which we have at present on braids and trimmings made of other yarns, and would be the lowest duty which would enable us to compete with the foreign manufacturers, as shown by figures submitted in our other briefs.

We annex hereto two paragraphs as above referred to, recommending that same be added to Schedule L.

Artificial silk, wood silk, artificial horsehair, or any kind of artificial fiber, filament, thread, or yarn, in whatever way manufactured from a solution of either animal, vegetable, or inorganic material, shall pay a duty of 60 cents per pound.

Laces, and articles made wholly or in part of lace, edgings, insertings, galloons, chiffon or other flouncings, net or nettings, and veilings, neck rufflings, ruchings, braids, fringes, trimmings, bandings, including hat bands, beltings, bindings, cords, tassels, cords and tassels, ribbons, webs and webbings, embroideries and articles embroidered by hand or machinery, or tamboured or appliquéd, clothing ready-made, and articles of wearing apparel of every description, including knit goods, made up or manufactured in whole or in part by the tailor, seamstress, or manufacturer; all of the above-named articles, made wholly or in chief value of artificial silk, wood silk, artificial horsehair, or any kind of artificial fiber, filament, thread, or yarn, in whatever way manufactured from a solution of either ani-

mal, vegetable, or inorganic material, shall be subject to a duty of 60 cents per pound and in addition thereto 60 per cent ad valorem.

Under the tariff of 1897 the duties prescribed were:

Section 1, paragraph 385. Silk threads or yarns of every description, except spun silk, 30 per cent ad valorem.

Paragraph 390. Braids, fringes, trimmings, embroideries, etc., made of silk, or of which silk is the component or chief material, 60 per cent ad valorem.

Paragraph 302. Cotton yarn not advanced beyond the condition of singles, 3 cents per pound up to No. 15, etc., and if advanced beyond the condition of singles by grouping or twisting two or more single yarns together, on all braids exceeding No. 20 and up to No. 80, one-fourth of 1 cent per number per pound, and on No. 80 and above, three-tenths of 1 cent per number per pound.

SEC. 6. On all raw or unmanufactured articles not enumerated, 10 per cent ad valorem, and on all manufactured articles not enumerated, 20 per cent ad valorem.

SEC. 7. Articles not enumerated but similar in material, quality, texture, or use to the enumerated article shall pay the same rate of duty on the enumerated article which it most resembles, and if it equally resembles two or more enumerated articles then the rate of duty on the highest.

Under these acts the Board of General Appraisers (by T. D. 24155) assessed a duty of 30 per cent ad valorem, under paragraph 385, section 1, act July 24, 1897 (U. S. Comp. St. 1901, p. 1668), on so-called "artificial silk yarns," under the similitude clause, as being most like silk yarn.

The importers claim that same were most like and therefore dutiable as cotton yarns or else as articles not enumerated.

United States circuit court of New York, in Von Burnuth appeal, sustained the opinion of the Board of General Appraisers (133 Fed., 800), December, 1904, but in Von Burnuth's appeal * the circuit court of appeals decided that the yarn was more like cotton than like silk, and should be classified under paragraph 302 as cotton yarn.

Under this ruling the appraisers appraised the artificial silk yarn as cotton yarn advanced beyond the condition of singles at one-fourth of 1 cent per number per pound.

This largely increased the duty, and the importers protested, and the final result was that the protests were abandoned and the assessments made by the collector under the previous decisions of the Board of General Appraisers at 30 per cent ad valorem were adjudged to stand as assessed.

I have the paragraph here which we propose, if you wish me to read that, or I would be pleased to answer any questions which any of you gentlemen may wish to ask.

Mr. HILL. Does it cost us any more to weave the fabric from the artificial silk than the natural silk?

Mr. WAITZFELDER. Approximately the same.

Mr. HILL. What you are asking for is substantially an ad valorem duty?

Mr. WAITZFELDER. The same that is on the real silk braids.

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* Treasury Decisions, vol. 11, No. 23, June 7, 1906.

The CHAIRMAN. How do they classify this silk in the tariff act?

Mr. WAITZFELDER. Under the last ruling of the court it has been assessed under the similitude clause the same as silk yarns, and the braids have been classified under that clause the same as silk braids.

The CHAIRMAN. That is still in litigation, is it not?

Mr. WAITZFELDER. Yes, sir.

The CHAIRMAN. Although the Government has collected duty the same as upon the others?

Mr. WAITZFELDER. Yes, sir.

Mr. HILL. Are all of the samples that you have submitted here made of artificial silk yarn?

Mr. UNDERWOOD. And what is it made of?

Mr. WAITZFELDER. It is made of a solution of cellulose, using therefor either raw cotton or wood fiber, or any other material of which the principal component is cellulose. It is treated chemically, and drawn through small tubes to make the filament or fiber, which is afterwards spun or twisted into yarn.

Mr. HILL. Will it go to pieces when wet?

Mr. WAITZFELDER. Not to the same extent as it originally did. They have improved it very much in that respect. It will stand a certain amount of moisture without being injured.

Mr. GAINES. Does it burn very easily?

Mr. WAITZFELDER. Not at all. The first product did, but it has been denitrated, so it is not more combustible than any other real silk fiber.

Mr. GAINES. A great deal of it is made from scrap silk, isn't it, silk cloth?

Mr. WAITZFELDER. Not at all. They have to take a vegetable fiber, not an animal fiber like real silk.

Mr. HILL. Would you think it was right or wrong to require the manufacturer of silk fiber, made partially of artificial silk and the rest natural, to specify the same on the label; that is, to specify that the artificial silk was contained in the product?

Mr. WAITZFELDER. I do not see what the advantage would be.

Mr. HILL. I mean of advantage to the buyer, not the manufacturer.

The CHAIRMAN. What is the effect of water on artificial silk?

Mr. WAITZFELDER. It makes it very brittle, easily broken.

Mr. HILL. It is a very serious question whether a lady's dress hung up in a closet in a damp climate, containing artificial silk, will not cause that article to disappear in the fabric?

Mr. WAITZFELDER. It would be less durable than if it was made entirely of real silk; there is no question about that.

Mr. HILL. The question is whether there should not be a distinction required, so that the buyer would know what he was buying.

Mr. WAITZFELDER. Well, it would not be objectionable to have that distinguished. So far artificial silk has been used very little for weaving fabric such as dresses. Principally it is used for making braids and dress trimmings and other articles in which durability is not an essential quality.

Mr. RANDELL. This is a new industry, is it not?

Mr. WAITZFELDER. So far as it relates to artificial silk it is an essentially new industry.

Mr. RANDELL. It is an infant industry throughout the world, is it not, and it is an industry which promises to give large uses for cotton.

Mr. WAITZFELDER. Yes, sir; millions of pounds of cotton have already been used in manufacturing this silk yarn.

Mr. RANDELL. Do you not think that if the supply could be furnished to the people now that the consumption of these goods would be very great?

Mr. WAITZFELDER. These goods which we make?

Mr. RANDELL. Yes; that there would be a rapid increase in the amount used.

Mr. WAITZFELDER. Well, they are essentially luxuries, and therefore the protective duty which is put on them would not to any appreciable extent diminish the consumption.

Mr. RANDELL. What do you mean by "luxury?"

Mr. WAITZFELDER. Used for purposes of ornamentation.

Mr. RANDELL. Not goods for ordinary common use for common people?

Mr. WAITZFELDER. They are used principally for trimming high-priced garments.

Mr. RANDELL. The product is made much cheaper than silk, is it not?

Mr. WAITZFELDER. No, sir; the price per pound is lower than the price per pound of silk, but the specific gravity of the material is very much heavier than the specific gravity of silk, which difference in weight almost compensates for the difference in price.

Mr. RANDELL. This will not give any cheaper silk, or anything that resembles silk, but it gives a different article that will cost about as much as silk?

Mr. WAITZFELDER. The present price is about the same as silk, but the artificial silk possesses more brilliancy and firmness than real silk.

Mr. RANDELL. I am not asking about that. This does not offer a cheap commodity to the world, but a different commodity, that has its own advantages?

Mr. WAITZFELDER. You are correct about that.

Mr. GRIGGS. What does this cost per yard?

Mr. WAITZFELDER. That which you hold in your hand would cost about 25 cents a yard.

Mr. GRIGGS. What would the same in silk cost?

Mr. WAITZFELDER. Silk braid of about the same width and body would be about the same price, approximately.

The CHAIRMAN. It makes a market for cotton, does it not?

Mr. WAITZFELDER. It certainly does, a very large market for cotton.

Mr. RANDELL. I thought you said that it was a luxury.

The CHAIRMAN. When the ladies learn about it, it is easy to test it and see whether it is artificial or real silk by the application of water to the sample.

Mr. WAITZFELDER. Yes; they could do that.

Mr. GRIGGS. Then would you advise ladies to carry a bottle of water around with them when they go shopping?

Mr. RANDELL. Do you mean to say that this silk will wash out of the dress?

Mr. WAITZFELDER. Not nearly as badly as that. After it was very damp it would weaken it and possess much less durability than braid or trimming made of real silk.

Mr. CLARK. If this silk sells as high as real silk, and if it is liable to go to pieces, what will anybody buy it for?

Mr. WAITZFELDER. It is used principally for braids and trimmings, which do not have to stand much wear, but which are used for ornamentation. It is used very little for weaving into fabrics which require great durability.

Mr. CLARK. Will it last as long in a dry place as real silk?

Mr. WAITZFELDER. Yes; it will. It is not higher priced than real silk. It is also very much more sightly on account of the added brilliancy and firmness. We have already succeeded in selling quite a quantity in place of the real silk. It is preferred on account of the better appearance that it makes.

THE CLEVELAND (OHIO) ART SILK COMPANY SUBMITS BRIEF RELATIVE TO ARTIFICIAL SILK AND HORSEHAIR.

CLEVELAND, OHIO, *November 28, 1908.*

The COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: About five years ago artificial silk and horsehair were classified as collodion, paragraph 17, with a duty of 65 cents per pound specific and 25 per cent ad valorem.

At that time we organized a company and began experimenting on different processes for making artificial silk, which experiments have been very costly.

The demand for artificial silk is at present enormous, but as is well known is largely of foreign manufacture.

During the time we perfected our process for making artificial silk, for some reason, this article was reclassified as silk, paragraph 385, with only 30 per cent ad valorem duty, which crippled this infant industry, so that we could not compete with the foreign goods on account of the much lower selling price.

A greater part of the foreign artificial silk and horsehair imported into this country is a collodion product, made by either the Chardonett, Lehner, or Bronnert, and Schumberger process, and therefore it should never have been reclassified, but owing to the fact that artificial silk and horsehair is also made from hydrocellulose, viscoes, and other material, we therefore are asking to have artificial silk and horsehair made from nitrocellulose, hydrocellulose, viscoes, or from any other material classified in a paragraph by itself with 65 cents per pound specific and 25 per cent ad valorem duty, same as at first obtained.

The reason we need this protection asked for is principally on account of the difference in wages paid in this country and in Europe, as wages are a large part of the cost of production, particularly in the beginning, when all of the labor employed is unskilled and must be educated.

The protection asked for is certainly very reasonable, as it would only advance the selling price to about $2.80 per pound, and such

protection would start at once a large industry in this country, giving employment to large numbers.

We understand that in Europe at the present time about 12 or 15 factories are employing from 300 to 5,000 people each, making a total production of about 25 tons of artificial silk per day.

Yours, very truly,

THE CLEVELAND ART SILK CO.,
HENRY HERTEL, *Manager.*

HON. PAUL HOWLAND, M. C., SUBMITS LETTER OF THE CLEVELAND (OHIO) ART SILK COMPANY RELATIVE TO ARTIFICIAL SILK AND HORSEHAIR.

CLEVELAND, OHIO, *January 26, 1909.*

Hon. PAUL HOWLAND, M. C.,
Washington, D. C.

DEAR SIR: I delayed writing, knowing that on your return to Washington you would be very busy.

When Mr. Tinnerman and myself called on you, we did not thoroughly explain our wants and therefore I take the liberty of writing you at this time, kindly asking you to suggest to the Committee on Ways and Means that a duty of 65 cents per pound specific and 25 per cent ad valorem on artificial silk and horsehair asked for, very reasonable, for reasons already mentioned in our brief now on file with the Committee on Ways and Means.

This infant industry (artificial silk) when first started in Europe, about six or seven years ago, has grown so rapidly that they are now employing at least 25,000 people.

Why should not this country make all or a great part of what is used here. The demand for such silk is growing more and more every day, because a new use for it is found right along, but that will only be possible if the protection asked for is granted, which protection amounts to about the difference in wages paid in this country and in Europe.

For an illustration I inclose a separate sheet showing the number of help required in a European factory making 350 kilos (770 pounds) per twenty-four hours, working three shifts.

There is no doubt that if the duty asked for on artificial silk is granted, in a very short time this country will have a new industry giving employment to at least as many people as are now employed in Europe, and instead of this country producing about 40,000 pounds annually, as has been stated, the amount would be nearer 5,000,000 pounds.

In conclusion, I will say that we are making the kind of silk that the manufacturers prefer (hydrocellulose silk), which is far superior to viscoes silk on account of its strength, tenacity, and elasticity; also superior to nitrocellulose silk, being free from all danger in poisonous vapors and explosive substances, which makes the nitrocellulose process very dangerous. We may also add that our silk at the present time has more strength, tenacity, and elasticity than

any silk in the market, and we think that in the near future we will be able to make it strong enough so that it can be used in broadgoods and ribbons; but with the present 30 per cent ad valorem duty it can not be made with a profit, and if the duty asked for is not granted this industry can never prosper, because of one principal reason—that our high wages against the low wages in Europe is the most important item in the cost of production.

Thanking you in advance for whatever you can do to help this new industry, we remain,

Yours, very truly,

THE CLEVELAND ART SILK COMPANY.
HENRY HERTEL.

EXHIBIT A.

Showing the amount of help employed in a European factory making 350 kilos (770 pounds) per twenty-four hours, working three shifts: Manager, 1; assistant manager, 1; chemist, 1; cashier, 1; office help, 4. Washing and bleaching cotton department: Foreman, 1; men for machines, 2; men for boiling, 2; man for packing, 1; men for rinsing, 2; man for picking, 1. Mixing and filtering department: Foreman, 1; men for mixing, 2. Spinning department: Men for spinning, 180; men for washing, 30; men for drying, 15. Reeling department: Girls for reeling, 105; boys for reeling, 35. Twisting department: Girls for twisting, 80. Other parts of the factory: Men for manufacture of ammonia, 3; men for ice machinery and pumps, 2; men for washing skeins, 2; men for repairs and carpentry, 6; men instructors, 5; men porters, 2; firemen, 2; engineers, 2; electrician, 1; glassblowers, 2; plumber, 1. Making a total of 493 people, which number would also have to be employed in this country to make 770 pounds per twenty-four hours, working three shifts, amounting to about $825.25 for labor, which amount is more than double what would have to be paid in Europe to make the same amount.

COLNÉ & COMPANY, NEW YORK CITY, ASK THAT PRESENT DUTIES BE RETAINED ON ARTIFICIAL SILK.

NEW YORK, *December 8, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: In connection with the revision of the tariff on silks, we wish to call your attention to the duties now collected on artificial silk—30 per cent ad valorem.

On behalf of parties intending to start the manufacture by a new process of this artificial silk here, we would ask that the present duty be not lowered. This style of silk, to our knowledge, is not manufactured here, or, if any is made, it must be in a very small quantity.

We have in abundance in this country the raw material for this manufacture. The making of this silk is now in successful operation

in France and England, Belgium, and Italy. Owing to the low price of labor in those countries this new manufacture could not be made successful here if the present rate of duty is not maintained. As labor is the principal cost in making this silk, we are here under a disadvantage. On the other hand, if the present duty is maintained or raised, we will be able to compete with importation. If we are encouraged by maintaining the present tariff, our proposed works will employ a large number of hands, as a great part of the process is carried on by hand labor.

We send you herewith a sample of some of this silk made in France. The demand for this material is great, and if we are not hampered by the tariff we will be able to create an industry which will be quite beneficial to the workingman, as well as the owners.

We presume it is not necessary to remind your committee that protection has been the means of creating a large number of industries in this country which are now in successful operation.

We ask to be the means, with your help, of contributing another enterprise to the prosperity of the country.

Yours, very truly,

COLNÉ & Co.

COLNÉ & CO., NEW YORK CITY, FILE SUPPLEMENTAL INFORMATION RELATIVE TO IMPORTATIONS OF ARTIFICIAL SILK.

11 BROADWAY, NEW YORK, *January 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We have addressed to your committee a letter dated December 8, concerning the duty on artificial silk. Since that time we have received data which we think will bear on the question.

We are informed that last year $63,000,000 of raw silk has been imported. From Japan, $40,000,000; from Italy, $13,00,000; from China, $8,250,000, and from France, $1,500,000.

We have read the testimony before your committee of Messrs. Ernst and Wartzfelder, and we fully concur in their recommendation of a duty of 60 per cent ad valorem.

Owing to quite recent improvements in the manufacture of this artificial silk it has taken a large extension in Europe. Naturally, if we can not get the proper protection for our intended works here we shall have to abandon our intentions. As a consequence the European manufacturers will export their silk in large quantities, and we shall not only have to pay large sums of money for the supply of the silk manufacture and the trimming business, but we will be prevented from developing a business which is bound to become important.

Your committee will be able to judge of the future of this business by examining the samples of the latest improved manufacture sent to us from Europe, which we are sending you under separate cover.

Yours, very truly,

COLNÉ & Co.

VON NOSTITZ & TRUBE, NEW YORK CITY, WISH INCREASE ON BRAIDS OR DECREASE ON ARTIFICIAL SILK.

106 GRAND ST., NEW YORK,
January 1, 1909.

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
House of Representatives, Washington, D. C.

SIR: We take the liberty of addressing you, as we have heard that you may be interested in hearing opinions of manufacturers.

We are manufacturers of braids for dress-trimming purposes, on which the duty is 60 per cent. The artificial silk that we use is an imported article, on which the duty is 30 per cent, and we find that we are losing considerable orders through the fact that imported braids can successfully compete with ours. Accordingly, it would be of interest to the American manufacturer either to have the duty on the braids increased or on the artificial silk (which we call our raw material) decreased.

Most respectfully, yours,

VON NOSTITZ & TRUBE,
Novelty Braid Mills.

CHIFFONS AND MOUSSELINE DE SOIE.

[Paragraph 387.]

NEW YORK, *November 17, 1908.*

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
Washington, D. C.

Hon. Mr. PAYNE: Trust you will pardon our intrusion on your most valuable time, but circumstances compel us to write to you in regard to some revision of an article in the present tariff. This article is not manufactured in the United States but imported from and made in Lyon. The article is provided for as follows:

Woven fabrics if dyed or printed in the piece, of which duty is $3.25 per pound, but not less than 50 per cent—weighing not more than one-third ounce per square yard—per pound, $4.50, but not less than 50 per cent.

We are importers of chiffons and mousseline de soie, under which heading the above duties are quoted. Now, in order to reduce the duty to $3.25, 99 per cent of the importers add the weight in the dye, and by doing this they give to the public an article that is liable to rot, and the public does not derive the benefit of the right article. If this matter could be corrected and the article brought over in its natural state, without the addition of the weight, the public would get the proper value and there would be no interference with the revenues.

Yours, very respectfully,

GERMAIN, HOFFBAUER & HELM CO.
ALBERT GERMAIN, *President.*

BRAIDS AND TRIMMINGS.

[Paragraph 389.]

UNITED STATES BRAID MANUFACTURERS RECOMMEND CHANGES IN CLASSIFICATION OF ARTICLES OF SILK.

NEW YORK CITY,
682 BROADWAY, *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We recommend that the following items be stricken out of paragraph 389 and inserted in paragraph 390, namely: "*Beltings, bindings, cords, cords* and *tassels*," so that paragraph 390 shall read as follows:

Laces, and articles made wholly or in part of lace, edgings, insertings, galloons, chiffon or other flouncings, nets or nettings and veilings, neck ruffings, ruchings, braids, fringes, trimmings, *beltings, bindings, cords, tassels, cords* and *tassels*, embroideries, and articles embroidered by hand or machinery, or tamboured or appliquéd, clothing ready-made, and articles of wearing apparel of every description, including knit goods, made up or manufactured in whole or in part by the tailor, seamstress, or manufacturer; all of the above-named articles made of silk, or of which silk is the component material of chief value, not specially provided for in this act, and silk goods ornamented with beads or spangles, of whatever material composed, sixty per centum ad valorem: *Provided*, That any wearing apparel or other articles provided for in this paragraph (except gloves) when composed in part of india rubber, shall be subject to a duty of sixty per centum ad valorem.

The reason we recommend the above articles being stricken out of paragraph 389 and inserted in paragraph 390 is that they resemble more nearly in texture, quality, and use the articles enumerated in paragraph 390, such as braids and trimmings, than they do the articles enumerated in paragraph 389, and are made by manufacturers of braids and trimmings.

We recommend that the present duty of 60 per cent ad valorem in paragraph 390 be retained, as that rate is necessary to compensate for the difference between cost of labor in this country and in Europe.

Respectfully submitted by the Braid Manufacturers' Association of the United States.

HENRY W. SCHLOSS, *President.*

SILK CRAVATS.

[Paragraph 390.]

STATEMENT OF CHARLES RUSTON, JR., OF No. 10 WEST TWENTIETH STREET, NEW YORK CITY, REPRESENTING JAMES KEISER, OF NEW YORK.

THURSDAY, *December 17, 1908.*

(Mr. Ruston was duly sworn by the acting chairman, Mr. Dalzell.)

Mr. RUSTON. I would like to say, gentlemen, that I come here this morning—and I am representing simply our own concern—to speak regarding the subject of silk cravats, which some people call neck-

ties; but we didn't come here to ask any increase of duty nor a reduction, but simply that the tariff remain as it is at the present time. I have a statement here that will boil the whole matter down, and if I read it it will probably save time.

Mr. DALZELL. You may read it.

Mr. RUSTON (reads):

Manufacturing silk cravats is a distinct industry. Cravats are in a great majority of cases made from silks that are woven specially for this purpose, and such silks, as a rule, are not suitable for any other purpose.

There are probably 150 to 200 concerns engaged in the silk-cravat industry. Many of these concerns have only a few thousand dollars capital. There are a few, probably about half a dozen, having a capital of from $100,000 to $200,000. The business annually of these concerns ranges from about $30,000 to $50,000 each, up to several hundred thousand. There are probably only six or eight concerns whose business ranges between $500,000 and a million. The total annual business on a rough estimate is probably at least $25,000,000.

There is absolutely no trust combination or understanding, secret or otherwise, existing between the various concerns, and such we believe impossible.

Competition has lowered the price to the minimum; in fact, there is a large amount of business done, particularly in the medium and lower priced lines, at practically little more than a mere commission for profit. There have been no large individual fortunes built up from the profits in this business.

The consumer has been able to get exceedingly good value at the various prices of 25 cents, 50 cents, $1, and above. It is only necessary to examine the retail stocks to be sure of this. In fact, we have heard many people say that they thought it was possible to get better value in this country in cravats than abroad. This is due to the keen rivalry among competing manufacturers, particularly smaller ones with perhaps insufficient capital employing no salesmen, and also to the almost continuous unloading of surplus stock, because of change of style, by either manufacturer or retail dealer in one locality or another.

Under the present duty of 60 per cent since 1897 the business has grown rapidly.

Under the old duty of 50 per cent previous to 1897 the importation of foreign cravats, mostly English, was developed, and this part of the business seemed to be growing rapidly until it was largely cut off, excepting where consumers were willing to pay the price for a luxury, by the increase of 10 per cent duty in 1897. We have heard some manufacturers say that the duty should be 70 per cent on silk cravats. Our own opinion is that it should certainly remain at not less than 60 per cent. Any reduction in duty would result in either forcing a number of concerns out of business or the price paid to labor would have to be reduced. There are probably 40,000 to 50,000 people engaged in this industry. If the duty was reduced the conditions under which we would have to do business would be worse than they were previous to 1897, as the price of labor in the last ten or fifteen years has advanced from 25 to 50 per cent, and from everything we have been able to gather there has been far from any such increase in the price of labor in Europe, particularly in England, from which country we would feel the keenest competition. The difference, therefore, between labor here and abroad is greater to-day than when the old duty of 50 per cent was in force.

As there is practically very little, if any, export business in silk cravats, any lowering of duty would not gain us the export trade, and our only market would be seriously interfered with.

As about 60 per cent of the wholesale selling price paid for silk cravats is made up of labor apart from raw material or profit, it can easily be seen that 60 per cent duty is none too much to protect us against the conditions governing labor abroad.

Mr. DALZELL. Are there any importations?

Mr. RUSTON. There are a few at the present time, sir; but I do not think it is a large item.

Mr. UNDERWOOD. What is the volume of business of the cravat industry in this country?

Mr. RUSTON. Well, it is pretty hard to get at that fact, but as near as I can estimate it I think it is at least $25,000,000.

Mr. UNDERWOOD. Do the importations amount to as much as a million dollars?

Mr. RUSTON. I do not believe they do; no, sir. They did at one time; but it is pretty hard to ascertain that, as they come in under the heading of articles made from silk—that is, silk fabrics—so that I do not know that there is a record on that particular item.

Mr. UNDERWOOD. Then the duty is prohibitive now?

Mr. RUSTON. Well, no; it is not.

Mr. UNDERWOOD. Practically prohibitive, is it not?

Mr. RUSTON. No; I do not think so, sir. You see, the margin of profit in our business is very close and the trade is very discriminating in buying. The styles differ a great deal. I honestly believe that if the duty was reduced to where it was before, 50 per cent, under the conditions upon which labor is working to-day, that there can be large quantities of cravats imported here which would be distinctly to the disadvantage of that labor employed to-day.

Mr. UNDERWOOD. You are looking at the fact that American labor has increased in the last ten years, but overlooked the fact that labor the world over has also increased in the last ten years.

Mr. RUSTON. Do you think it is in any such proportion?

Mr. UNDERWOOD. I think so, from my information.

Mr. RUSTON. Fifty per cent?

Mr. UNDERWOOD. The proportion of increase abroad has been as great as at home.

Mr. RUSTON. Here is a point that I would like to call your attention to, and of course we are governed by experience, for that is all we have to go by as business men. We know that when the duty was 50 per cent there were large quantities of cravats imported, and it cut into our industry here.

Mr. UNDERWOOD. How much was imported when the duty was 50 per cent?

Mr. RUSTON. The nearest that I can answer that question is that in 1894 the imports—these are the figures given me by our customs broker, but I have no figures of my own——

Mr. UNDERWOOD. I would like to have your figures on that question, and you can verify them.

Mr. RUSTON. I would like to say that I do not vouch for these figures, but he told me that the imports on articles made from silk were $7,571,000.

Mr. UNDERWOOD. That was in 1894?

Mr. RUSTON. Yes, sir.

Mr. UNDERWOOD. How about the total volume of business in this country at that time compared with what it is to-day?

Mr. RUSTON. Well, I should not think that it was much more than half. Our business, our general industry, has grown rapidly in the last ten years.

Mr. UNDERWOOD. Would you say it amounted to fifteen millions of dollars?

Mr. RUSTON. It might; yes, sir.

Mr. UNDERWOOD. Then under a 50 per cent ad valorem rate the American producer controlled half of the market at that time?

Mr. RUSTON. Yes; but, you see, you must bear in mind that this seven and one-half millions includes the articles made from silk, and ours is only a very small part of that.

Mr. UNDERWOOD. That is what I asked you. Then, how much of that 7,500,000 was cravats, do you think? Estimate it.

Mr. RUSTON. Well, I really would not like to estimate that. I am guided by my own experience, but I know that it was quite general, and the importation of cravats cut quite a figure in the industry.

Mr. UNDERWOOD. Of course, you do not expect us to fix a duty here that will give you an absolute "corner" on the American market. The cravat is a luxury, and naturally a revenue article, and you do not expect to have the duty fixed so that it will give you a "corner" on the American market, and with no importations coming in?

Mr. RUSTON. I desire to take exception to that. I do not think the cravat is a luxury. Most of us go in a class of society that requires us to wear cravats.

Mr. UNDERWOOD. Same as a lady who goes to a ball is required to wear a lace dress, but still we put them in the list of luxuries.

Mr. RUSTON. There are all sorts and kinds of cravats. You can get them down as low as 25 cents apiece.

Mr. DALZELL. These cravats can come in under the paragraph relating to wearing apparel?

Mr. RUSTON. Yes; the silk is 50 per cent.

Mr. DALZELL. The figures would be difficult to get accurately.

Mr. UNDERWOOD. That was why I was trying to find out whether he had that information.

Mr. RUSTON. I have never had it specifically.

Mr. RANDELL. It looks as if the common cravat should have a lower tariff than the finer quality, but the finer quality comes in under the 50 per cent and the others under the general item of 60 per cent.

Mr. DALZELL. These come in under the paragraph relating to wearing apparel.

Mr. UNDERWOOD. I presume that there is a very small portion of the cheaper cravat imported, mostly high grade?

Mr. RUSTON. I think it is mostly high grade; yes, sir.

Mr. GAINES. Do you know about those answers that you are making, that they are mostly high-grade imports?

Mr. RUSTON. I have no figures to be guided by; no.

Mr. UNDERWOOD. I was asking for information in relation to his business.

Mr. GAINES. Exactly; and I wanted to know whether he had definite information about it.

Mr. UNDERWOOD. You are in that business, are you not?

Mr. RUSTON. Yes, sir.

Mr. UNDERWOOD. You know, when you go into a haberdasher's store, what is imported and what is not?

Mr. RUSTON. As a rule we can tell.

Mr. UNDERWOOD. From your observation and experience, is not the imported cravat usually the high-grade goods?

Mr. RUSTON. Yes; mostly.

Mr. HILL. Is there any peculiar thing that would separate this article of cravats or neckties from the schedule in which it is now placed, paragraph 390, so that it would have a different duty in case a desire was shown to change the duty of that general schedule?

Mr. RUSTON. I do not think so; no.

Mr. HILL. A very small part, probably, of the articles embraced in section 390 you do ask a change upon; that is, you do not ask for an increase of duty on everything?

Mr. RUSTON. No, sir; I am not asking for a change of duty at all, but that the duty should remain the same, my plea being that the margin of profit is so close that a slight reduction of duty would seriously injure the industry.

Mr. RANDELL. Where do you draw the dividing line between the high and low grades of cravats?

Mr. RUSTON. Well, 25 and 50 cents, possibly, at retail is considered the lower-priced line, and those retailing for $1 and above, the better grades.

SILK EMBROIDERIES.

[Paragraph 390.]

THE LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION, NEW YORK CITY, RECOMMENDS NEW CLASSIFICATION.

488 TO 492 BROADWAY,
New York City, November 30, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The articles in this paragraph (390) in which we are especially interested are machine-made silk embroideries and machine-made silk embroidered laces. These goods are the highest type of luxuries. In the present act they pay a duty of 60 per cent ad valorem. Of the total amount of these goods consumed in this country about 75 per cent are imported and only about 25 per cent are manufactured here.

None of these goods have been manufactured in this country for export. We therefore ask that a sufficient duty be assessed to cover the difference between the cost of production in Europe and this country, and we submit herewith figures showing what duty will be necessary to cover that difference.

The foundation of silk embroideries is mostly silk net, woolen, or silk piece goods, all of which pay a duty of 50 per cent or over. Most of these goods (for instance, silk nets and chiffons) are imported, and we have practically on our embroideries no differential duty above the duties on those materials. In order to cover the difference in cost between the labor and expenses here and abroad in the manufacture of these goods on the Schiffli embroidery machine, our figures show that a duty at the rate of one-fifth of 1 cent per yard for each 100 stitches of the embroidery produced by one needle is required, and in addition thereto 60 per cent ad valorem.

We also submit a calculation showing the difference of labor and expenses for embroideries and laces on the Swiss embroidery machine operating with double-pointed needles.

In order to cover the difference in cost between labor and expenses here and abroad in the manufacture of these goods, our figures show

that a duty at the rate of one-fifth of 1 cent per yard for each 20 stitches of the embroidery produced by one needle is required, and in addition thereto 60 per cent ad valorem.

We inclose paragraphs covering these articles, which we respectfully ask to have inserted in Schedule L. At the end of paragraph 390 add the following:

And it is further provided, That any of the articles enumerated in this paragraph, and of which real silk or artificial silk is or the two collectively are the component material of chief value, and which wholly or in part are manufactured or produced by the Schiffli embroidery machine, pay a duty at the rate of one-fifth of one cent per yard for each one hundred stitches of the embroidery produced by one needle, and in addition thereto sixty per centum ad valorem. Each penetration of the fabric by the needles of the embroidery machine to be counted as one stitch.

And it is also provided, That any of the articles enumerated in this paragraph, and of which real silk or artificial silk is or the two collectively are the component material of chief value, and which wholly or in part are manufactured or produced on a machine known as the Swiss embroidery machine operating with double-pointed needles, pay a duty at the rate of one-fifth of one cent per yard for each twenty stitches of embroidery produced by one needle, and in addition thereto sixty per centum ad valorem. Two penetrations of the fabric by the needles of this embroidery machine to be counted as one stitch.

DETAIL OF CALCULATION—SCHIFFLI MACHINE.

As a basis we take a so-called "burnt out" net top embroidered lace 10 inches wide. The foundation is a silk bobbinet. The embroidery material is artificial silk; the design of 6/4 repeat counts 2,000 stitches for every needle. The calculation shows what the cost would be in this country, produced on a 6¾-yard Schiffli machine:

Silk bobbinet, 72 inches wide, 2 times 6¾ yards=13½ yards, at $1.20	$16.20
Prepared cotton cloth, 72 inches wide, 2 times 6¾ yards=13½ yards, at 16 cents	2.16
Stitches (United States count), 7 times 2,000=14,000 stitches, at 25 cents	3.50
Overseer, 1 day, at $1.50	1.50
Shuttle filler, 1 day, at 75 cents	.75
Mender, 1 day, at $2	2.00
Artificial silk, 4½ pounds, at $3.20	14.40
Cutting out 14 strips, 6¾ yards each=94½ yards, at 10 cents	9.45
Burning out 13½ yards, 72 inches wide, at 10 cents	1.35
Boxes, cards, wrappers, etc., 7 pieces, 13½ yards each, at 10 cents	$0.70
Manufacturing expenses, 5 per cent	2.60
Profit, 20 per cent	10.40
Total	65.01

Ninety-four and one-half yards, $65.01.

Below we give the cost of the above design as it would be in Switzerland:

	Francs.
Silk bobbin net 72 inches wide, 2 times 6¾=13½ yards, at 3.75 francs	50.63
Prepared cotton cloth 72 inches wide, 2 times 6¾ yards, at 0.60 francs	8.10
Stitches (Swiss count), 7 times 1,000=7,000 stitches, at 0.11 francs	7.70
Overseer, 1 day, at 2.50 francs	2.50
Shuttle filler, 1 day, at 1.25 francs	1.25
Mender, 1 day, at 3 francs	3.00
Power, oil, etc	2.80
Artificial silk, 2 kilograms, at 20 francs	40.00
Cutting out 14 strips, 6¾ yards each=94½ yards, at 0.17 francs	16.07
Burning out 13½ yards, 184 centimeters wide, at 0.03 francs	5.52
Boxes, cards, wrappers, etc., 7 pieces, at 13½ yards each, at 0.60 francs	4.20
Expense, 5 per cent	7.09
Case, packing, etc	.50

	Francs.
Legalization	.01
Freight and insurance	.70
Profit, 20 per cent	30.02
Total	180.09
180.09 francs	$34.97
Duty, 60 per cent ad valorem	20.98
One-fifth of a cent 100 stitches per yard	3.78
94½ yards	59.73

DETAIL OF CALCULATION—DOMESTIC COST OF ARTICLES—HAND MACHINE.

Assuming a pattern of 300 stitches; insertion embroidered on taffeta silk in various colors of silk thread (stitcher makes 5 bands per day—each band 300 stitches, 5 times 300—1,500):

1,500 stitches (cost of stitcher 20 cents per hundred)	$3.00
Threader	1.25
Mender	1.25
10 yards of taffeta silk at 65 cents	6.50
16 nadlichs of silk at 20 cents	3.20
Carding and boxing	.50
	15.70
Manufacturing expenses, 12 per cent	1.88
Cost of 50 yards	17.58

DETAIL OF CALCULATION—FOREIGN COST OF ARTICLES.

Assuming a pattern of 300 stitches; insertion embroidered on taffeta silk in various colors of silk thread (stitcher makes 5 bands per day—each band 300 stitches; 5 times 300 = 1,500):

1,500 stitches (cost of stitcher 7 cents American money)	$1.05
Threader	.50
Mender	.40
10 yards of taffeta silk, at 44 cents	4.40
16 nadlichs of silk thread, at 16 cents	2.56
Carding and boxing (5 pieces)	.40
	9.31
Manufacturing expenses, 5 per cent	.47
Legalization, freight, and insurance	.06
	9.84
Duty, 60 per cent	5.90
	15.74
Add 1 cent for each 100 stitches	1.50
50 yards cost	17.24

LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,

A. H. KURSHEEDT,
President.

SILK GLOVES.

[Paragraph 390.]

STATEMENT OF JULIUS KAYSER, OF NO. 524 BROADWAY, NEW YORK CITY, RELATIVE TO SILK GLOVES.

TUESDAY, *December 1, 1908.*

Mr. UNDERWOOD. What paragraph do you propose to speak to?

Mr. KAYSER. Paragraph No. 390, silk gloves.

Mr. GRIGGS. Are you a manufacturer or importer?

Mr. KAYSER. A manufacturer.

The CHAIRMAN. You may proceed, Mr. Kayser.

Mr. KAYSER. I come before you to give you some information as to the magnitude of this business that is a comparatively new one. I want to tell you that last year about 975,000 dozen of silk gloves were manufactured in this country, and probably 125,000 or 150,000 dozen imported. The importations were unusual, and only owing to the fact that the manufacturers in this country could not produce the quantity required.

The CHAIRMAN. How do you designate these goods?

Mr. KAYSER. As silk gloves. I wish to state that this importation that I have just mentioned was a very unusual one. Prior to 1906 I do not believe that there were 5,000 dozen silk gloves imported into this country, and I do not believe that at any time within the last twenty-five years there were 10,000 dozen imported into this country.

The CHAIRMAN. These gloves are not mentioned by their name in the tariff?

Mr. KAYSER. Not in any special schedule. They come in under knitted wearing apparel.

Mr. UNDERWOOD. The ordinary importations amount to nothing?

Mr. KAYSER. To nothing, and never have.

Mr. DALZELL. Gloves are specifically excepted in paragraph 390, which reads as follows: "That any wearing apparel or other articles provided for in this paragraph except gloves."

Mr. UNDERWOOD. And it reads, "when composed in part of india rubber."

Mr. KAYSER. I understood it was paragraph 370, with a duty of 60 per cent ad valorem.

Mr. DALZELL. Then they must come under knit gloves.

Mr. KAYSER. Yes; knit gloves; they are a knit fabric.

Mr. DALZELL. Very well, proceed.

Mr. KAYSER. I do not ask for any advance in the tariff. I think it would be advisable to have a specific duty and a percentage about the same as it is now in place of the ad valorem. The difference in the labor cost in the two countries on gloves is about four to one. I have the prices paid in Saxony and our average prices paid here, and it shows, by the earnings of the girls who work—the principal part of the work is done by girls with sewing machines, who earn an average wage of $9 per week. The wages in Saxony are not more than 8 or 9 marks a week, with sixty hours of labor, against fifty-five hours of labor here.

Mr. GRIGGS. How long have you been manufacturing gloves?

Mr. KAYSER. Since 1888.

Mr. GRIGGS. Was that the beginning of the glove industry in this country?

Mr. KAYSER. That was the beginning.

Mr. GRIGGS. That was twenty years ago?

Mr. KAYSER. Twenty years.

Mr. GRIGGS. Has the industry pretty nearly grown by this time?

Mr. KAYSER. Yes.

Mr. GRIGGS. But still we have to take care of it.

Mr. KAYSER. No, no; it isn't that.

Mr. GRIGGS. It is not quite 21 years old?

Mr. KAYSER. Not quite 21, and an infant industry comparatively, but I am not afraid of foreign competition so far as that is concerned, excepting the great difference in the cost of labor. The greater part of it is labor; two-thirds of it is labor.

Mr. GRIGGS. Is that what you want the protection for, the difference in the cost of labor?

Mr. KAYSER. That is it.

Mr. GRIGGS. Please show us exactly what it is; that is, put it in your brief.

Mr. KAYSER. I will.

Mr. GRIGGS. Show us the exact difference in the cost of labor here and in Saxony.

Mr. KAYSER. We have a factory there ourselves, so I claim to be thoroughly posted. The gloves that we make there are not silk gloves, however.

Mr. GRIGGS. I should think that you are pretty well off if you manufacture at both ends.

Mr. KAYSER. We make cotton gloves there, not silk.

Mr. GRIGGS. You ought to put a cotton-glove factory in the South, and not in Saxony.

Mr. KAYSER. If you will give us proper working forces there, hands to make them, I would be inclined to do it.

Mr. GRIGGS. You employ cheap labor in Saxony and high labor here?

Mr. KAYSER. Yes.

Mr. GRIGGS. You are not a philanthropist on this question?

Mr. KAYSER. Hardly; we would not want to call ourselves philanthropists. But what we have done, we have given the people of this country a good article which gives satisfaction, as the result shows—an increase of 975,000 dozen gloves last year. I doubt whether in any year there has been imported 150,000 dozen silk gloves into this country.

Mr. RANDELL. Do they have a duty on these gloves in Saxony?

Mr. KAYSER. There is a duty on everything in Germany.

Mr. RANDELL. You favor that duty there, do you, for the protection of your industry there?

Mr. KAYSER. No; I do not care at all. We only manufacture those goods for the market here. We do not care for the German market.

Mr. RANDELL. You are protected by a protective tariff over there, and you want a protective tariff here; and you manufacture in both places?

Mr. KAYSER. Our manufacture over there has nothing to do with our ideas on the tariff at all. It is simply to give us better facilities for those who handle these goods in this country.

Mr. RANDELL. Suppose the labor cost was more there than here, would you be willing to take off the tariff?

Mr. KAYSER. Yes, certainly; we would want no tariff at all.

Mr. UNDERWOOD. You say that the production of this class of goods in the United States is 975,000 dozen?

Mr. KAYSER. Of course, that is an estimate of the production of my competitors. Our production alone was 480,000 dozen last year.

Mr. UNDERWOOD. And that the importations in a normal year will amount to about 10,000 dozen?

Mr. KAYSER. Less than that; that has been exceptional. Long gloves are now worn in enormous quantity. The manufacturers in this country could not supply the whole demand.

Mr. UNDERWOOD. Then the importations are very much less than 1 per cent of the total production?

Mr. KAYSER. Yes, I can say.

Mr. UNDERWOOD. How much duty do these goods pay when they come in?

Mr. KAYSER. Sixty per cent.

Mr. UNDERWOOD. Then you have an industry here upon which the tax amounts to 60 per cent, and the importations are less than 1 per cent. There practically is no revenue paid to the Government, and you think the Government ought to maintain the same prohibitive duty that you have to-day?

Mr. KAYSER. I think so.

Mr. UNDERWOOD. Why should you think so?

Mr. KAYSER. Well, firstly, the tendency of these Saxony manufacturers is to depreciate quality.

Mr. GRIGGS. But you are one of them.

Mr. KAYSER. And for the benefit of the consumer here, he is better off if those goods could not be imported at all. Whatever money they pay for them is thrown away. That is the history.

Mr. UNDERWOOD. Then you are a philanthropist. You want to insure the American consumers against purchases that are bad.

Mr. KAYSER. It has worked that way every time. They can make these goods of much lighter silk and load them in the dye, and instead of getting articles placed before the consumer which are cheaper articles, the consumer gets the worst of it.

Mr. UNDERWOOD. This very large production in this country and very small importation indicates very clearly that foreign manufacturers can not enter the home market at the present rate of duty?

Mr. KAYSER. I would like to explain that to a certain extent. As I say the silk-glove industry was never anything until we took hold of it. I made the article, took out a patent on the finger ends—upon silk gloves there is a liability, if the finger ends cut through, to do great damage after one or two wearings—but I took out a patent in 1887 to reenforce the ends, making an article which would wear, and through that succeeded in making an article like these gloves. During the time I had the patent they were barred from importing those goods, and they did not have any other kind of gloves in this country.

Mr. UNDERWOOD. Then you not only want a protection with a prohibitive duty in this country, but you also have your goods protected by a patent?

Mr. KAYSER. The patent has expired.

Mr. UNDERWOOD. Under this present duty, since 1888, you have built up an industry in this country that has now obtained a monopoly in the American market. Is not that so?

Mr. KAYSER. Yes, sir; the industry has monopolized this market to a great extent.

Mr. UNDERWOOD. Don't you think, under those circumstances and the fact that the Government is needing revenue, that this 60 per cent duty ought to be reduced?

Mr. KAYSER. I doubt whether the Government would derive any revenue from that. I want to say that we personally do not have the monopoly; that is, I haven't got it personally. I have a number of competitors.

Mr. UNDERWOOD. But your industry has a monopoly of the American market?

Mr. KAYSER. It has, so far.

Mr. UNDERWOOD. Now, Mr. Kayser, are you doing any exporting of these goods abroad?

Mr. KAYSER. A very small quantity; very insignificant.

Mr. UNDERWOOD. How much do you export?

Mr. KAYSER. I do not believe we exported altogether 500 dozen.

Mr. UNDERWOOD. Is that all you have exported in the history of your business?

Mr. KAYSER. Yes, sir.

Mr. UNDERWOOD. Then you are not engaged in the export business in any way?

Mr. KAYSER. No.

Mr. UNDERWOOD. Are any of your competitors exporting this line of goods?

Mr. KAYSER. No.

Mr. BOUTELL. Your gloves are better gloves than the foreign gloves, are they not?

Mr. KAYSER. We try to make them so; to have them better.

Mr. BOUTELL. Very much better?

Mr. KAYSER. Very much better; yes, sir.

Mr. BOUTELL. That would account, would it not, for the fact that you and the American manufacturers substantially control the market?

Mr. KAYSER. That is the sole reason, I believe, and the best proof of that is that when they had no competition, when no silk gloves were made in this country, they never succeeded in selling to any extent, and it is not a large article in Europe.

Mr. BOUTELL. How many employees have you in your factory?

Mr. KAYSER. Altogether we have about 2,800.

Mr. BOUTELL. How many are there engaged in other factories of the same kind in the United States?

Mr. KAYSER. I should say about an equal number.

Mr. BOUTELL. So therefore there are between 5,000 and 6,000 altogether?

Mr. KAYSER. Fully that, and more indirectly in the different operations required which the other manufacturers do not do themselves—

that is, sewing the silk, dyeing, and things of that kind. I should say about 7,000 engaged altogether in this industry.

Mr. BOUTELL. In general terms, and round figures, how much capital is there engaged in this industry in this country?

Mr. KAYSER. I should say between $5,000,000 and $6,000,000.

The CHAIRMAN. I want to ask a question or two about your patent. How long does it run, or when did it expire?

Mr. KAYSER. It expired in 1904. The patent was taken out in 1887.

The CHAIRMAN. So that does not protect you any longer?

Mr. KAYSER. It protects us no longer.

Mr. GRIGGS. You are in a pretty prosperous condition, are you not?

Mr. KAYSER. Yes.

Mr. GRIGGS. Making money?

Mr. KAYSER. I want to state further that our pay roll——

Mr. GRIGGS. I asked you if you are making money?

Mr. KAYSER. We have made money up to now. What we will do in the future we do not know. Things have changed greatly in the last few months, but I think we will always be able to make something. I wish to state that our pay roll for the last year was $1,400,000 in the different factories.

Mr. GRIGGS. What was your gross income?

Mr. KAYSER. Something over four millions and a half, the total sales. Part of this income is particular importations. We import probably three-quarters of a million of those sales, so it is not all from the manufacture.

Mr. GRIGGS. And that makes your pay roll $2,000,000?

Mr. KAYSER. Possibly fully that, if not more.

AMERICAN MAKERS OF SILK GLOVES WISH PRESENT DUTIES MAINTAINED AND SEPARATE CLASSIFICATION GIVEN.

WASHINGTON, D. C., *December 16, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: The undersigned manufacturers of silk gloves respectfully submit to your committee the following statement, to be considered in connection with the testimony given by Mr. Julius Kayser, of New York, on December 1, 1908:

Relative to the great manufacturing industries of this country, and also possibly excepting Julius Kayser & Co., the manufacturers engaged in making silk gloves are small and independent manufacturers. These manufacturers are confronted with a very high labor rate. Kindred industries in this country, such as hosiery and underwear, pay much smaller wages than do silk-glove manufacturers.

Without further thought we can not agree with Mr. Kayser that the present ad valorem duty of 60 per cent should be changed to a specific rate. We are building up an industry that actually does pay high wages, and an industry which is growing and has grown, in the past three years, enormously in volume. The price of our raw silk is, in a measure, fixed the world over (it is true that the European manufacturer has a great advantage in the throwing or

twisting of this silk that the American manufacturer can not obtain), and our increased cost for the better grades means increased cost of labor for each better grade. Therefore, it would seem that an ad valorem duty, properly administered, better protects our industry.

The present duty of 60 per cent is by no means prohibitive, and our business is conducted in keen competition with the European manufacturers. Our burdens are much greater than the European manufacturer's in every respect. His investments are not nearly so burdensome as ours. Mr. Kayser's remarks as to imports may be misleading. It is true that prior to 1904 the importation of silk gloves amounted to very little. However, this was not due to a prohibitive tariff, but to the fact that the silk-glove business in America was largely controlled by Mr. Kayser and by another American manufacturer.

These men had secured patents on improved methods of reenforcing the finger tips of silk gloves, which practically barred the inferior European product and also barred American competition. When these patents expired in 1904 the importations steadily increased until they reached fully 15 per cent of the total consumption in 1907, as Mr. Kayser's figures show, and after the expiration of these patents other manufactories for silk gloves sprang up and have rapidly created a great business in this country.

Our best estimates show that the 60 per cent duty does not keep out the foreign glove, but that, on the contrary, so far as the duty is concerned, the foreign glove can supplant ours.

A great consideration in ladies' gloves has been the sudden changes in fashions, which have made it difficult for the large merchants and wholesalers to contract for their requirements in Europe nine months in advance. They naturally prefer to wait until they know the styles their trade will demand and then have their needs supplied at short notice by the American manufacturer; and just here a danger is arising to our industry.

The styles will be more fixed in the future, probably, than in the past and we will lose the protection that this consideration gave us. Then will come the time when we will depend upon the protection against the foreign cheap labor that a tariff affords.

When these styles become fixed the foreign manufacturer can store up goods to await quick orders. His investment will be much less than ours can possibly be, because his labor is, in many cases, as Mr. Kayser states, five-sixths less than ours. A silk glove manufacturer in Nottingham, England, told one of the undersigned that he could obtain the services of 200 women in his city at the wage of $1.50 per week to do the work that the undersigned paid women $1.50 per day and upward.

Mr. Kayser states that he makes only cotton gloves in his German factories and that he makes them exclusively for the American market. We quite agree with the statement of Judge Griggs, that we ought to make cotton gloves in this country. We believe that we ought to make all kinds of ladies' gloves as well as men's in this country.

At the present tariff on cotton gloves (50 per cent ad valorem) it is impossible to compete with Europe. There is not a pair of cotton gloves made in the United States to-day; the German and English manufacturers control the business, and even the United States

Government pays tribute to these manufacturers in placing their army and navy contracts.

Some of us have tested this cotton manufacture at considerable expense, and have always found that the foreign goods (owing to cheap labor) could be produced at a profit below our cost of production. The Reading Glove and Mitten Company, Reading, Pa., produced cotton gloves for three years and lost money each year. Their books and records are at the disposal of your committee.

It may seem strange that silk gloves could compete with European manufacturers at 60 per cent ad valorem, and that cotton gloves can not with 50 per cent ad valorem. To some extent this is explained by a comparison of raw materials, the raw silk being free and the cotton yarns paying a duty of 24 to 60 cents per pound. This cotton yarns, on which there is a great labor item, is principally made in England, and not made in this country. The German manufacturer pays a nominal duty on this English yarn, which duty is refunded to him by the German Government if the manufactured goods are exported.

Our belief is that a reduction in the present tariff would mean less work in our factories and necessarily lower wages to those employed.

In quality our production is now the best in the world, and this production is given to the public at a fair price. There is every indication of a great demand for the silk glove if the present high standard of quality can be kept up. We believe that only the American manufacturer will keep this quality up; that if the foreign manufacturer crowded us out of business a lower level in the trade would be reached. We are in this country and back up the style, fit, and wearing qualities of our goods. If these qualities are not right the customer can go to us directly if necessary. With the foreign manufactured article there is no redress except to use it or not, as the consumer pleases.

We respectfully submit that our present rate of duty on silk gloves ought to be maintained and that these gloves, if necessary, should be put in a paragraph by themselves or joined with other fabric gloves in a paragraph. We protest that the duty on our product ought not to be lowered simply to classify it with other silk manufactured articles.

Most respectfully submitted.

The Gloversville Silk Mills, by Albert M. Banker, President, Gloversville, N. Y.; Niagara Silk Mills, by J. T. Shanahan, President, North Tonawanda, N. Y.; Clark Textile Co., by J. H. Clark, President, Saratoga, N. Y.

OTHER AMERICAN MANUFACTURERS OF SILK GLOVES WRITE IN ADVOCACY OF RETENTION OF PRESENT DUTIES.

WASHINGTON, D. C., *December 14, 1908.*

Hon. SERENO E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

SIR: The undersigned manufacturers of silk gloves respectfully submit to your committee the following statement, to be considered in connection with the testimony given by Mr. Julius Kayser, of New York, on December 1, 1908:

We do not agree with Mr. Kayser that the present ad valorem duty of 60 per cent should be changed to a specific rate. The market price of raw silk is subject to violent fluctuations; within the last eighteen months the price of the same standard quality has been as low as $3.40 and as high as $6 per pound. Prices of our finished product have fluctuated in proportion, and no specific duty could be fixed to cover such a wide range of prices and give us at all times the protection that Congress intended us to have.

The present duty of 60 per cent is by no means prohibitive; our business is conducted in keen competition with the European manufacturers. Mr. Kayser's remarks as to imports are misleading. It is true that prior to 1904 the importations of silk gloves amounted to very little. This, however, was not due to a prohibitive tariff, but to the fact that the business in silk gloves was controlled by two large American manufacturers, of which Mr. Kayser was one, who had secured patents on an improved method of reenforcing the finger tips of their gloves, which practically barred the inferior European product. When these patents expired, in 1904, the importations commenced to increase steadily, until they reached fully 15 per cent of the total consumption in 1907, as Mr. Kayser's figures prove. There is no doubt that importations would reach much larger proportions if it was not for the fact that ladies' silk gloves are subject to sudden changes in fashion, which makes it difficult for the wholesaler to contract for his requirements abroad six or nine months in advance. He naturally prefers to wait until he knows exactly what styles his trade will demand, and then have his needs supplied at short notice by the American manufacturer.

A careful comparison of foreign and domestic cost would show that under the present law the foreign manufacturer still has the advantage on account of the extremely low wages paid by the German manufacturer, and a reduction in the rate would no doubt mean less work and lower wages for the American factories. Mr. Kayser, who owns a large glove factory in Germany, states that he pays 8 to 9 marks a week in Germany for the same work that he pays $9 a week for in America.

It will be noticed that Mr. Kayser states that he only makes cotton gloves in his German factories, and that he makes them exclusively for the American market. We quite agree with the suggestion of Judge Griggs, that we ought to make cotton gloves in this country. Under the Dingley tariff, which fixes the rate of duty on cotton gloves at 50 per cent ad valorem, it is impossible to compete with Europe. There is not a pair of cotton gloves made in the United States to-day. The market is controlled by German and English manufacturers, and even the United States Government has to place their army and navy contract with the importers. Some of us have tested this matter again and again at considerable expense, and have always found that foreign goods could be landed at New York, duty paid, considerably below our cost of production. One factory, the Reading Glove and Mitten Company, was producing cotton gloves for three years and was losing money each year. The books and records of this concern are at the disposal of your committee, and the officers have signified their willingness to furnish any information desired in proof of our contention.

It might seem strange that, while with the 60 per cent protection on silk gloves we are able to get our share of the trade and successfully com-

pete with the European manufacturers, with 50 per cent protection on cotton gloves we can not compete at all and have been driven out of the market. To some extent this is explained by the comparison of the raw materials, which is raw silk for the silk glove maker and fine cotton yarn for the cotton glove industry. Raw silk is on the free list, while fine cotton yarns, such as are used by the glove manufacturers in England and Germany, pay a duty of from 24 to 60 cents per pound if imported into the United States. The German manufacturer pays a nominal duty on English yarn, which is refunded by the German Government if the goods are exported.

A few comparisons of foreign and domestic costs will prove to your committee the inadequate protection provided by the present rate of 50 per cent ad valorem.

Comparative cost of a lady's cotton glove, sold at wholesale at about $1.50 to $1.75 per dozen pairs, made of No. 80 combed yarn, weighing 8 ounces per dozen pairs:

	Germany.	United States.
Yarn	$0.28	$0.40
Other material	.15	.25
Wages	.25	.05
Mill expenses	.12	.15
	.80	1.75

Difference in cost, 95 cents; duty collected, 40 cents.

Comparative cost of a lady's lisle glove, sold at wholesale at about $2.50 to $2.75 per dozen pairs, made out of 160/2 lisle yarn, weighing about 10 ounces per dozen pairs:

	Germany.	United States.
Yarn	$0.60	$0.90
Other material	.20	.30
Wages	.35	1.35
Mill expenses	.20	.25
	1.35	2.70

Difference in cost, $1.35; duty collected, 68 cents.

Cotton gloves are now classed as cotton wearing apparel, and are assessed under paragraph 314 of the Dingley Act.

Inasmuch as the present rate of 50 per cent ad valorem is absolutely inadequate, and inasmuch as the law about to be framed is supposed to protect American industries to the extent of the difference between the American and the foreign cost (to say nothing of a margin for profit) we respectfully ask that your committee fix a rate of duty on cotton gloves that will make it possible for us to get at least a share of the American trade, and that will put us on a competitive basis with the European mills, who are now monopolizing this particular industry. With this end in view we would suggest that cotton gloves be taken out of their present classification, and made dutiable under a new paragraph, to read as follows:

Gloves and mittens, including those commercially known as "fabric gloves" composed of cotton or other vegetable fiber, finished or unfinished, valued at not more

than one dollar per dozen pairs, eighty cents per dozen pairs. Valued at more than one dollar and not more than one dollar and fifty cents per dozen pairs, one dollar per dozen pairs. Valued at more than one dollar and fifty cents per dozen pairs and not more than two dollars per dozen pairs, one dollar and fifty cents per dozen pairs. Valued at more than two dollars per dozen pairs and not more than three dollars per dozen pairs, two dollars per dozen pairs. Valued at more than three dollars per dozen pairs, eighty per centum ad valorem.

The above to be the minimum rates, and the maximum rate to be twenty per centum ad valorem in addition to all the foregoing.

Most respectfully submitted.

THE E. RICHARD MEINIG CO.,
GEORGE D. HORST, *President, Reading, Pa.*
READING GLOVE AND MITTEN MANUFACTURING CO.,
JNO. H. MALTZBERGER, *Secretary.*

JULIUS KAYSER & CO., NEW YORK CITY, SUBMIT INFORMATION RELATIVE TO DEVELOPMENT OF SILK-GLOVE INDUSTRY.

524–528 BROADWAY, NEW YORK,
January 19, 1909.

Hon. SERENO E. PAYNE,
Chairman of Committee on Ways and Means.

DEAR SIR: In submitting this brief in relation to the proposed tariff on silk gloves, coming now under section 390, present tariff, it may be in place to give a synopsis of the birth and growth of the silk-glove industry in this country.

Permit me to state that prior to 1888 silk gloves were not made in this country. The article was mostly imported from Germany, and, being very inferior in quality and high in price, did not find much favor, and I doubt that more than 50,000 dozen were imported annually prior to 1888. Believing that if a good silk glove could be made in this country and sold at a moderate price the article could be made popular, I started the industry in 1888, in which year I made and disposed of about 1,200 dozen. The business steadily grew, and while for the first six years I had no competition, there are now more than fifteen firms competing for the business. As far as I am able to ascertain, the following is a fairly correct list of reliable domestic silk-glove manufacturers:

Fownes Bros. & Co., Amsterdam and New York, N. Y.
Merrill Silk Company, Hornell and Wellsville, N. Y.
Niagara Silk Mills, North Tonawanda and Manlius, N. Y.
Gloversville Silk Mills, Gloversville and Lyons, N. Y.
William Lefi & Co., Gloversville, N. Y.
Hall-Jones Company, Gloversville, N. Y.
Clark Textile Company, Saratoga Springs, N. Y.
Jennings Lace Works, Brooklyn and New York, N. Y.
C. R. Morley Glove Company, Dunkirk, N. Y.
H. S. Hall, Jersey City, N. J.
L. M. Blumstein Silk Fabric Company, Fultonville, N. Y.
Reading Glove and Mitten Manufacturing Company, Reading, Pa.
Richard E. Meinig Company, Reading, Pa.
Crown Silk Manufacturing Company, Bangor and Easton, Pa.
Thissen Silk Company, Bangor, Pa.

I would estimate that $5,000,000 to $6,000,000 capital is at present invested in the business, and from 6,000 to 7,000 hands employed, the bulk being females. The average wages paid for female labor are

$9.85, working 55 hours per week, and about $23.65 for males. The wages paid in Saxony for the same class of goods are very low, females averaging not over 9 marks ($2.16), working 60 hours per week, and males 24 marks ($5.76).

During the years 1906, 1907, and up to July, 1908, an abnormal condition prevailed in the silk-glove industry in Europe as well as this country. Short sleeves for ladies' dresses came in fashion, creating an extraordinary demand for long silk gloves, which it was impossible for manufacturers to supply. Prices for this article advanced to more than double the normal and the German manufacturers were overwhelmed with orders, which had the effect to temporarily advance the wages paid operators in Germany to more than double the regular rates. This demand has subsided and the wages in Germany have returned to the former rates, which are as stated in my brief. The wages paid to our operators here are given at the present rates.

The gloves made in this country may be classified in three qualities:

1. Gloves sold to the dealer for $3.72. The value of the raw silk in this glove is $1.06, the total cost of the glove $3.35. This price includes sewing thread, fasteners, and boxes, which items amount to about 28 cents. Of these 28 cents more than half is labor, so that $2.15 of the total cost of the glove is labor. The difference in the cost of labor between this country and Germany would be $1.61 on this glove.

2. Glove sold to the dealer for $4.87½. The value of the raw silk in this glove is $1.05, the total cost of the glove $4.05. Cost of labor, $3, including cost of sewing thread, fasteners, and boxes, amounting to 28 cents. Of these 28 cents more than half is labor. The difference in the cost of labor between this country and Germany would be $2.15 on this glove.

3. Glove sold to the dealer for $6.74. The value of the raw silk is $1.50, total cost of the glove being $5.65. This includes sewing thread, fasteners, boxes, and facing, amounting to 40 cents, of which more than half is labor. The difference in the price of labor between this country and Germany would be $3.05 on this glove.

In view of these facts I believe that the interests both of domestic manufacturers and of honest importers would be better served by having a schedule of specific duties to take the place of the present ad valorem schedule, and therefore, in accordance with your request, desire to herewith submit the following schedule of duties:

TWO-BUTTON LENGTH.

(12 inches in length over all.)

Silk gloves valued at—	
Not more than $2.50 per dozen	$1.25 per dozen and 10 per cent ad valorem.
Not more than $4 per dozen	2.00 per dozen and 10 per cent ad valorem.
Not more than $6 per dozen	3.00 per dozen and 10 per cent ad valorem.
Over $6 per dozen	60 per cent ad valorem.

LONG GLOVES.

Length over all—	
16 inches	$2.00 per dozen and 10 per cent ad valorem.
20 inches	2.75 per dozen and 10 per cent ad valorem.
24 inches	3.50 per dozen and 10 per cent ad valorem.
28 inches	4.25 per dozen and 10 per cent ad valorem.
32 inches	5.00 per dozen and 10 per cent ad valorem.
Over 32 inches	5.75 per dozen and 10 per cent ad valorem.

JULIUS KAYSER.

SILK UNDERWEAR.

[Paragraph 390.]

THE AMERICAN HOSIERY CO., NEW BRITAIN, CONN., URGES RETENTION OF PRESENT RATES ON SILK KNIT GOODS.

NEW BRITAIN, CONN.,
December 1, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We believe that the present rate of duties on manufactures of silk, especially the knit goods listed in paragraph 390, should be maintained for the following reasons:

In the production of silk underwear, in all the processes of knitting, seaming, looping, stitching, finishing, etc., there must be perfect work and the greatest care. Such costly material as silk can only be intrusted to the most competent and skillful workmen.

It is an article of luxury and is not an article of general use, but yet the silk industry is a large and important one in this country, and it would be a mistaken policy on the part of the Government to reduce the figures of Schedule L, so that the manufacturers of Europe and especially of China and Japan, who are already making great progress in the modern methods of silk manufacture, with their low priced but efficient labor, should not crowd out the business which has made such commendable progress in this country.

For many reasons we would prefer specific duties on knit silk underwear and hosiery which are now included in paragraph 390, but on account of the difficulty in arranging the specific rates so as to apply to the great variety of weights, qualities, and gauges (by "gauges" we refer to the relative coarseness or fineness as determined by the number of stitches per inch), we would suggest no change, but would urge that the present rate, 60 per cent, in paragraph 390 should be the minimum.

In fact, any material reduction in the present tariff on silk underwear and hosiery would be prohibitive of its manufacture in this country.

The present rate imposes no burdens upon people of limited means in this country, as silk underwear is properly regarded as one of the luxuries of modern life, and its use is confined to comparatively well-to-do people.

Respectfully submitted.

AMERICAN HOSIERY COMPANY,
EDWARD H. DAVISON, *President.*
GEORGE S. TALCOTT, *Treasurer.*

VELVET CASES.

[Paragraph 391.]

AMERICAN VELVET CASE MAKERS ASK A SEPARATE AND SPECIFIC CLASSIFICATION FOR THEIR PRODUCTS.

WASHINGTON, D. C.,
December 1, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: It is my duty to present to you the situation of the velvet case makers of this country, which has by an anomalous working of the tariff law been well-nigh done to death. It is our misfortune that the conditions of the business make impossible any exact demonstration thereof. We realize that by submitting certain standard products with affidavits showing their component and total costs here and abroad our case would be impregnable. There is, however, such a diversity in the product—one arising from its very nature—that this is impossible.

The case-making industry covers cases for rings, brooches, earrings, scarf pins, breastpins, lockets, watches, silverware, fountain pens, penholders, knives, and other articles too numerous to mention. They all, however, possess the one common characteristic, to wit, that of being expensive luxuries appealing to the taste. As a result there is a bewildering diversity of size, shape, color, and materials. An exact duplicate is rare.

At present under section No. 391 these cases come in as articles manufactured, of which silk is the chief component value, and pay a duty of 50 per cent.

Now, the injustice of this lack of separate classification arises from the fact that the greater part of the material used in the making is taxed from 60 to 100 per cent ad valorem. In other words, the foreign makers get their material, velvet, plush, satin, and so forth, into this country in the manufactured state at a less rate than the same goods would pay in the piece. The domestic maker by this provision has a handicap to start with, so that instead of being protected he is discriminated against. Assuming that the labor difference was covered by the 50 per cent, which is not so, the American maker would be handicapped by the difference on materials approximately 25 per cent thereof. But the labor difference is much greater than 50 per cent. The wages here are from five to ten times greater than paid in Europe. This is in part compensated by the greater efficiency of the American labor. The work itself is entirely done by hand and manifestly the difference can not be thus wholly made up. As near as it is possible to approximate it the labor cost here is 300 per cent more than in Saxony. That this is a conservative estimate will be plain to you gentlemen when you consider the difference between workmen is never great enough, unaided by machinery, that one should do five times as much of the same work in a given time as the other. Here again we are handicapped by the impossibility of giving the exact figures. In this country men are employed at from $2.50 to $3 per day; women, from $1.25 to $1.50, depending on localities. In Saxony the men receive in our money from 35 to 60 cents per day, and

the women and children from 10 to 25 cents. Here the men workers exceed in number the women, while abroad the latter are in the greater majority. Here the shop system prevails, while in Saxony it is sweat shop exclusively. That is to say, it is done in the huts and hovels of the unfortunate peasantry.

German and American wage standards and conditions are well known to the members of this committee; I take it they need no proof on these points but will take judicial notice thereof. In many of our industries by improved machinery we are able to overcome this difference in wage standards, but in the case-making industry this does not obtain and it is almost all entirely hand work. We feel certain that with a few years of real protection that the inventive genius of our mechanics would, stimulated by the reward of reasonable profits, be brought to bear on the details of this business and eventually result in machinery which will permit us to even up the conditions as has occurred in so many other industries. At present the only set-off against the great difference in wages is the character of the work people themselves. That because of their intelligent diligence they do in large part overcome this handicap is a striking testimonial to them and proves them worthy of help by this committee. Now, gentlemen, I have placed before you certain facts indisputable, known to all men, requiring no man's oath or opinion to show their truth or foundation. These facts have shown the need of protection for this industry. I will now endeavor to show to you by like arraignment of verities the justice and advisibility of placing us in a section apart with a rate equalizing the conditions. As the situation now is, the foreign-made case has practically driven the American from the market, and the work now done is either special orders or small lots which permit the payment of the higher wages. The inevitable result of the increase would be a greatly augmented business here; finding employment for thousands at good wages. As to the effect on the revenue it would result in a larger return because the velvets, plushes, satins, etc., would be imported at the piece rate and thus pay half again more duty. Where this would not be so the boxes would continue to come over, paying the increased duty. I submit that no tariff provision ever framed could fall more lightly on the consumer. It would mean that whenever one purchased an article of luxury that was cased he would pay from 10 cents to 15 cents more than at present, if he wanted the case, depending on its elaborateness. A diamond ring worth $500 sold in a case costing, say, 40 cents, would, if this increase is granted, cost him, say, 10 cents to 15 cents more.

I will now bring to your attention two concrete examples: The first is a ring box. This was made in New York City some twelve years ago by the thousands; to-day it is not made at all because it is sold here by importers for $3 per dozen, which is $1 less than the bare cost of making it by workmen and 25 cents less than the actual cost of using in part girl labor. The cost of the material is about $1, of labor $3. On the other side, materials cost 58 cents and the labor 60 cents; total, $1.18 per dozen. They are sold for about $2 and the duty brings the price here up to $3. The second example is a brooch box. The conditions are identical, the difference being merely slightly higher cost as regards the material, due to the larger size.

I will now call your attention to some examples of the discrimination against us as to materials. I offer for your inspection samples of satin, velvets, and plushes of varying grades, all in common use, with the figures showing the exact duty paid thereon, which can be verified by the custom records. I could also submit at least about 40 more such instances, but these will suffice to show the general condition. There are two grades of satin used by the European makers that owing to the pound rate can not be sold in this country at all. Another element which enters into the price difference is the fact that these materials taxed in the box form pay the 50 per cent duty only for the amount actually used. Here the maker pays duty on the whole piece, and the inevitable waste in cutting up and the selvage he must pay duty on. Further, should he import them in the strip form, which he could do to better advantage, another 15 per cent is added on the cost of the goods to him. The cost per dozen for the ring boxes is $3.93; of the brooch boxes, $4.58; they are sold in the market for $3 and $3.50, respectively. Abroad the proportion of labor and material cost is about the same, but in this country the labor cost is from two to three times greater than the material. To offset this difference we would suggest first, the placing of our industry under separate classification, and, second, the retention of the present ad valorem duty, 50 per cent, and the addition of a duty for each piece of 10 cents to 15 cents. We feel that with a few years of such protection we would be able to make these boxes at a much less cost and thus reduce the price to the consumer, giving him a better box at the same rate that he is at present paying. This has been the way it has worked out in other industries and this is the way it will work out in this of ours.

Respectfully submitted.

H. A. ANDREWES,
Counsel to Velvet Case Makers' Committee.

RIBBONS.

[Paragraph 391.]

STATEMENT OF B. A. LEVETT, OF 24 STATE STREET, NEW YORK CITY, REPRESENTING THE STAR RIBBON COMPANY AND GEORGE QUACKENBUSH.

TUESDAY, *December 1, 1908.*

Mr. LEVETT. The merchandise that I desire to speak on to-day consists of ribbons cut from a fabric represented by this sample [handing sample to chairman of the committee.] It is a fabric woven in the piece, designed to be cut into ribbons.

Mr. DALZELL. What paragraph is this?

Mr. LEVETT. Paragraph 391, for manufactures of silk not specially provided for. Imported ribbons similar in character to our ribbons did pay at one time 60 per cent, but in a decision of the circuit court about four years ago it was held that ribbons were dutiable as manufactures of silk.

There are two domestic manufacturers of these ribbons in this country whom I represent. The ribbons are not made on a ribbon loom at all. They are made, as you see, by weaving a broad fabric

with what is called a "doupe edge," about 20 per cent silk, and the balance is cotton, although the silk is the chief value. You will notice an interval there, a thread left out, so as to mark the width of the ribbon. The Star Ribbon Company was the pioneer in the manufacture of this article here.

The CHAIRMAN. Do you say that that is a linen ribbon?

Mr. LEVETT. No; it comes in as a manufacture of silk at the present time. The article that we are asking a higher rate of duty on is ribbon made from that fabric. There is very little of that fabric imported.

The CHAIRMAN. What is the process of manufacture?

Mr. LEVETT. It is put through the cutting machine; then it is cut and wound on spools.

The CHAIRMAN. You would like to have the fabric brought in under the paragraph on ribbons?

Mr. LEVETT. We would like to have the duty on ribbons made from this fabric increased and the fabric correspondingly increased.

Mr. DALZELL. What does it pay now?

Mr. LEVETT. The fabric would come in under the broad fabric classification of paragraph 387 at a specific rate equal to about 50 per cent. The point is this: You gentlemen have heard a number of arguments showing that protection fosters trusts and makes the price to the consumer higher here. I want to show in a few moments that protection will decrease the price of these ribbons to the consumer, and the reason for that is this, that before the domestic people started to make this the importers had a monopoly. They were charging $4 for a thousand yards of baby ribbon, at wholesale in the market here, with 7 per cent off—the regular discount. The domestic people, the Star Ribbon Company, started to manufacture, and as soon as the competition began to be felt, the price went down, so that to-day the price of those ribbons for which was charged $4 before the domestic people started to manufacture is $2.10 to $2.25 with 7 per cent off. At the time we started to manufacture, of course the price, $4, had a fair profit in it. We started with one loom, and we had gotten up to 30 looms, and were turning out a million yards a week, when the price commenced to be cut. To-day the price is about $2.10, and it costs the Star Ribbon Company, by figures which I have here and will submit, $2.07 to make an article which is selling to-day for $2.10 with 7 per cent off.

The other concern which I represent, and the only other manufacturer of that ribbon, has a little higher cost, because the chief fabric is made outside, and it costs them about $2.14. They are running a few looms now to keep in the market. According to my best information, at the port of New York the imported price of ribbon of this character is about 7.75 to 8 francs a thousand meters, with a discount of 20 per cent, which, turned into American money on the basis of 8 francs is about 1.23 a thousand meters, or $1.11 per thousand yards. If you add a duty of 50 per cent, that would bring it up to $1.67. If you add 3 per cent for expenses, ocean freight, and other nondutiable expenses, it brings that total landed price in New York City to $1.71 per thousand yards.

The CHAIRMAN. That fabric you present there is capable of being manufactured into ribbon by simply running it through the cutting machine, and is plainly brought in under an evasion of the ribbon duty.

Mr. LEVETT. I do not claim so; it is very little imported.

The CHAIRMAN. But it is capable of being converted into ribbon in that way, and they do it. It comes under the basket clause.

Mr. LEVETT. The broad fabric clause, which is practically about 50 per cent.

The CHAIRMAN. That is the same duty, is it not—ribbon, 60 per cent.

Mr. LEVETT. Fifty per cent.

The CHAIRMAN. What you want is to have it made 60 per cent, the same as ribbon?

Mr. LEVETT. What I want is that the ribbons pay a duty that will bring the landed price up to our cost of production.

The CHAIRMAN. You want a greater protection?

Mr. LEVETT. Greater protection.

The CHAIRMAN. On ribbons, too?

Mr. LEVETT. Mainly on ribbons; the fabric is an incident. I propose to show just exactly what that duty should amount to to put us on an equality with the importer. According to these figures, with the duty and all expenses, it costs the importer $1.71 a thousand yards to land this in New York. It costs us $2.07 to make it. We ask that a duty be put on equal to the difference between our cost and the landed price of the imported ribbon to-day. I have figured that out, and basing it on a specific rate per pound, we ask that the duty be made on cut ribbons, dyed, $1.25 per pound and 15 per cent ad valorem. On this fabric there is about 50 cents difference in the cutting and winding, and so on.

The CHAIRMAN. What ratio does the weight of the ribbon bear to its value?

Mr. LEVETT. All the silk specific duties are by the pound.

The CHAIRMAN. That is, where the goods run uniform. But there is no uniformity in ribbons?

Mr. LEVETT. These will run very uniform.

The CHAIRMAN. Is not a pound of some worth ten times as much as a pound of another kind?

Mr. LEVETT. No, on these narrow ribbons the percentage of silk is about 20 per cent by weight, so that they would run uniform and the rate would be equitable. We are asking for a provision on this specific cut baby ribbon, not on ribbons in general. We have nothing to do with that. We started to manufacture this particular article, have built up an industry, and now we have to sell at a loss, because they are landed at 30 or 40 cents below our cost.

The CHAIRMAN. Have you given there the value of a pound of these goods?

Mr. LEVETT. I was coming to that. Three-quarters of a pound of our ribbons would be about a thousand yards, so that a pound would be about 1,333 yards.

The CHAIRMAN. In those goods, would not a pound make more than 1,500 yards?

Mr. LEVETT. I understand that the imported ribbon is lighter than ours and that a pound would run about 1,500 yards. I have used that as a basis to get a pound duty, which, added to the landed price of a pound of the ribbons, will equal the cost of manufacture to us of a pound of similar ribbons. By taking the duty at $1.25 a pound and 15 per cent ad valorem, it will give us a protection of about 4 per cent.

Now, one of the reasons for that enormous difference in the cost of production abroad and here is difference in labor, of course. We pay about $2 a day, and I have a letter here which was written in 1907 to one of the manufacturers on another subject-matter. He was at that time importing some of these narrow ribbons; one order was not quite right, and he wrote about it, and in his answer, among other things, he said:

I had given due instructions and this order should have been correctly delivered. Unfortunately weavers who only earn, by working ten hours a day, about 25 or 30 cents can not be depended upon, as they work on the looms when they have nothing else to do, and this accounts for the cheap price we make this article here.

A weaver in Lyons will get more than that, but the people who make these ribbons are up in the mountains, where they work when they feel like it, and they get 25 or 30 cents a day, while we pay our men $2 a day.

The other manufacturer whom I represent started with four looms some time ago, and he still has that number. He has never had a chance to increase them. He can not sell his goods to-day, as he is always met by the answer, "Put your price down to the price the importers sell, and we will do business with you." We ask that a special provision be inserted in the silk schedule covering this particular kind of ribbon—that is to say, a ribbon cut from piece goods. We suggest the following paragraph:

Ribbons in chief value of silk in the piece not dyed or bleached, sixty cents per pound and 15 per cent ad valorem; if dyed or bleached, seventy-five cents per pound and 15 per cent ad valorem; ribbons in chief value of silk cut from a fabric, one dollar and 25 cents per pound and fifteen per cent ad valorem.

BRIEF RELATIVE TO SILK RIBBONS AND THEIR CLASSIFICATION, FILED BY B. A. LEVETT FOR THE STAR RIBBON CO. AND GEORGE QUACKENBUSH, NEW YORK CITY.

WASHINGTON, D. C.,
December 1, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Star Ribbon Company is a domestic concern manufacturing, among other things, what are known as No. 1 cut-edge ribbons, or sometimes commonly referred to as cut-edge "baby-ribbons." These articles are not made on a ribbon loom, but are made by first weaving a broad fabric with what is called a doupe edge. This fabric contains about 20 per cent silk by weight and the balance cotton, silk chief value. It is cut into strips or ribbons. In this fabric at intervals representing the width of the desired ribbon a binding edge is woven, then a thread is omitted, leaving the fabric in such condition that it can be readily cut into strips or ribbons. The Star Ribbon Company was the pioneer in this country in this line, starting about nine years ago with one double loom and building up a business which at one time kept occupied thirty double looms, turning out a million yards of ribbon a week, and was in a fair way to work up a large domestic industry. At the time we started the imported goods of the same character were selling as

high as $4 per spool of 1,000 yards. When our competition began to be felt the importers started to cut the price and continued to do so until to-day when the ribbons are selling at $2.10 to $2.25 per 1,000 yards, with 7 per cent off if paid in ten days.

These ribbons to-day pay a duty of 50 per cent ad valorem under paragraph 391. Prior to four years ago they were assessed at 60 per cent as trimmings, but in a decision of the United States circuit court rendered in 1904 they were held to be properly dutiable as manufactures of silk, and the Treasury Department thereupon issued instructions to assess the goods at 50 per cent, in accordance with the court's decision (T. D. 25375). This, coupled with the fact that the foreigner through cheaper labor is enabled to produce his goods far below our cost of production, has resulted in practically putting an end to our industry on this ribbon for the reason that to-day the imported article sells in the market here at less than it costs us to produce similar goods. Instead of operating 30 double looms, as heretofore, we are now operating only 9, and at a loss. We attach hereto a detailed statement of our cost of production, giving every item that enters into the cost.

Detailed statement relative to cost of production.

[325 by 21—6,825 satin; 326 by 12—3,912 edge; total, 10,737.]

Spaces or ribbons, 325. No. 1½. Lines, 1¾. Length, 600.

1¼ grege organzine, 450, at $25	$112.50
Winding	3.00
Warping 10,737 ends, at 9 cents per 100	9.66
Weaving 570 yards, at 7 cents	39.90
Twisting 10,737 ends, at 4 cents per 100	4.29
Harness, English, 10,800, at 20 cents (one-fourth)	5.40
Front reed	1.50
Cotton	55.00
Total	231.25
Manufacturing expenses, 10 per cent	23.13
570 yards cost	254.38
Cost per yard	.44⅝

Calculation of cost of No. 1 spool, 1,000 yards cut ribbon.

1,000 yards, uncut, 325 ribbons wide, at 44⅝ cents	$446.30
Dyeing same	80.00
Total	526.30
Cost per 1,000 yards, single width	1.62
Cutting, winding, spooling, boxing, and rolling	.17
General expenses 10 per cent	.18
Selling expenses 5 per cent	.10
Net cost	2.07

From this statement of cost it appears that 1 yard of the fabric costs us to manufacture 44⅝ cents; to this are added the cost of dyeing, the cutting, winding, spooling, boxing, and general expenses of 10 per cent, selling and expenses of 5 per cent, making our net cost $2.07 per 1,000 yards of ribbon. Waste is not included.

We are informed and believe that the committee can substantiate the fact through the Government's statistics showing the value per

1,000 yards of these goods as imported, that the imported ribbons of this character pass the custom-house at a value of about 7.75 to 8 francs per 1,000 meters, discount 20 per cent. This, turned into American money on the basis of 8 francs, is about $1.23 per 1,000 meters net, which means about $1.11 per 1,000 yards. Adding the duty of 50 per cent brings the cost to $1.67, and adding 3 per cent for freight, etc., makes the total cost to the importer to land the goods in New York $1.71 per 1,000 yards of goods similar to those which it costs us about $2.07 to make.

We understand that it is proposed to insert the word "ribbons" in the trimmings paragraph, which at present fixes a duty of 60 per cent; but we desire to call attention to the fact that 60 would not enable us to compete on this article. We therefore ask that a special provision as to these cut ribbons be inserted fixing a special duty which will be somewhat higher for the ribbons when cut than when imported in the doupe fabric. We ask that this rate be based on our cost of production. Taking that cost as $2.07 per 1,000 yards as a basis, we ask that a duty be assessed on these goods which will bring the landed price equal to our cost of production plus about 4 per cent. In other words, we ask that we be allowed to make the same profit as the importer, with a protection of 4 per cent to protect American industry and labor. On this basis it should cost the importer to land his goods $2.07 plus 8 cents, or $2.45 per 1,000 yards. That is to say, he should pay to the Government as duty $1 per 1,000 yards, the difference between $2.15 and $1.15—his net cost of $1.11 plus 3 per cent for expenses.

While, as before stated, our ribbons run about 1,333 yards to the pound, the imported ribbon which competes with ours is somewhat lighter, running, as we are informed, about 1,500 yards to the pound, so that in order to get a pound duty which will equal $1 per 1,000 yards we must multiply $1 by 1½, making $1.50. The price on the other side being $1.11 per 1,000 yards, the price per pound would be $1.67. A specific duty therefore of $1.25 per pound plus an ad valorem duty of 15 per cent would equal a total duty on a pound of the imported ribbon of $1.50, and on 1,000 yards of the imported ribbon of $1. If this duty be added to the foreign cost and nondutiable charges added it would bring the landed price of 1,000 yards of the imported ribbons to $2.15, giving us a protection of 7 cents per 1,000 yards which, on the cost of manufacture here of $2.07, is less than 4 per cent.

We are informed that the average invoice value of such of these goods as are imported in the piece is 75 centimes per meter, 60 centimeters wide, although not much of this is imported. It is obvious, however, that should the duty be advanced on the ribbons when cut it should also be advanced on the doupe cloth. We therefore suggest that the fabric be taxed at 75 cents per pound and 15 per cent ad valorem and that the ribbon be dutiable at $1.25 per pound and 15 per cent ad valorem.

We beg to call attention to a similar provision which exists in the present tariff act in paragraph 386, for silk plushes at $1 per pound and 15 per cent ad valorem, and silk plush ribbons at $1.15 per pound and 15 per cent ad valorem; also to the provision in paragraph 315, where cotton plushes, etc., are provided for at 9 cents per square yard and 20 per cent ad valorem if not bleached, etc.; at 12

cents per pound and 20 per cent ad valorem for plush, etc., if bleached, while articles made therefrom are provided for at the same rates with an additional 10 per cent ad valorem.

It is true that the requested duty is high ad valorem, but in reality it is a very conservative request, for we ask only an actual protection of less than 4 per cent, and we urge that we are entitled to a fair chance to exist, and the seemingly high rate we ask for is necessary owing to the tremendous difference in the cost of labor here and abroad.

We pay weavers who run two looms, producing from 180 to 240 yards, 7 cents per yard. They earn from $12 to $15 per week of fifty-five hours. We are informed that the weavers who make these goods on the other side earn 25 or 30 cents a day. We suggest the following language to be inserted in the proper paragraph:

Ribbons in chief value of silk in the piece, not dyed or bleached, sixty cents per pound and fifteen per centum ad valorem; if dyed or bleached, seventy-five cents per pound and fifteen per centum ad valorem; ribbons in chief value of silk, cut from a fabric, one dollar and twenty-five cents per pound and fifteen per centum ad valorem.

Respectfully submitted,

STAR RIBBON CO.
GEORGE QUACKENBUSH.

THE STAR RIBBON COMPANY AND GEORGE QUACKENBUSH, NEW YORK CITY, FILE SUPPLEMENTAL BRIEF RELATIVE TO THE DUTY ON CUT RIBBONS.

NEW YORK, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Supplemental to the statements made by our representative, Mr. Levett, before you on the 1st instant, relative to cut ribbons in part of silk manufactured by us, we beg to present the following:

While, as stated, we believe from the letter received by Mr. Quackenbush, an extract from which was read into the record, that the weavers in France who live in the mountains and make goods of similar character receive from 25 to 30 cents per day, it is a fact, as we are informed, that the weavers in Lyon receive about 3 francs a day. We desire to emphasize the point, however, that irrespective of wages the fact remains that ribbons similar in character to those made by us are imported into this country at a price which including duty and expenses is greatly below our cost of production; and that in advocating the duty suggested by us we are merely asking to be put on a par with the importers in selling these ribbons in this country with a protection which would not exceed 10 per cent. The output of the Star Ribbon Company had grown to a million yards per week, when the price of the imported goods was cut to such an extent that their production has gone down to 300,000 yards per week, some of these goods being sold at a loss.

It should be said that the imported ribbon which competes with ours is somewhat lighter in weight than our domestic ribbon, owing to the fact that the silk used in its manufacture is of a lighter weight.

We have tried repeatedly to manufacture these ribbons of lighter weight silk than what is known as "fourteen-sixteenths denier," but we have been unable to make our ribbons with silk as light as that used abroad. The finished product is so similar, however, that we believe the ordinary consumer would hardly notice the difference.

Respectfully submitted.

STAR RIBBON COMPANY,
GEORGE QUACKENBUSH.

JACQUARD FIGURED GOODS.

[Paragraph 391.]

STATEMENT OF CHARLES SCHOEN, OF NO. 97 GREEN STREET, NEW YORK CITY, RELATIVE TO JACQUARD GOODS.

TUESDAY, *December 1, 1908.*

Mr. SCHOEN. I have no special suggestion to make as to the various rates of duty to be levied under the new tariff, but I would like to show here figures as to how the present specific duties act in proportion to the ad valorem duties that are collected. I have here a list of importations which came in under the 50 per cent clause, and if the respective specific rates would be collected there would be only one item that would pay 50 per cent ad valorem.

Mr. GRIGGS. What schedule are you speaking upon?

Mr. SCHOEN. Silks. And all the other items would pay less. This schedule is a copy of the importations at the port of New York.

Mr. DALZELL. Are you talking to any particular paragraph in this schedule?

Mr. SCHOEN. I am talking about paragraphs 387 and 391.

Mr. GRIGGS. Are you a manufacturer?

Mr. SCHOEN. I am a manufacturer of tie silks. Our business is a very peculiar business, and the designs and preparation for the designs brings about a great deal of labor. I have brought two samples along—one a Jacquard article and one a plain article. I would say that as to the weight per square yard of these articles they are both alike, but this article [indicating sample], 36 inches wide, sells for 90 cents a yard, while this article [indicating sample], 24 inches wide, sells at the same price, so that a similar specific duty could not be applied to both articles alike. I therefore advocate either a higher special duty for Jacquard goods—that is, goods with more than two colors in the warp and in the filling, or goods containing more than two weaves—or a minimum rate of duty such as we have now, 50 per cent, or whatever the committee may desire. I do claim that without a minimum rate of ad valorem duty our industries would be severely crippled. The product manufactured in this country amounts to between five and seven million dollars. The majority of these goods imported in this line come in under the ad valorem duty.

I would like to leave this statement.

(The following statement was submitted by Mr. Schoen:)

Particulars of certain importations of silk woven fabrics in the piece from invoices in the custom-house, New York.

[These goods all weigh between 1½ and 8 ounces to the square yard and are dutiable at 50 per cent ad valorem under the provisions to paragraph 387 of the act of 1897.]

Description.	Length.		Width.		Weight.	
	Meters.	Yards.	Centimeters.	Inches.	Kilograms.	Pounds.
Silk and cotton, 20–30 per cent silk, yarn dyed, colored	1,105.00	1,208.44	60		70,700	155.87
Do	1,073.85	1,174.37	60		81,270	179.17
Do	580.35	634.68	60		40,250	88.74
Silk and cotton, under 20 per cent silk, piece dyed	347.50	380.08		24	18,400	40.56
Do	95.90	104.88		24	6,550	14.44
Do	100.30	109.69		24	5,670	12.50
Silk and cotton, 30–45 per cent silk, yarn dyed, colored	292.75	320.15		24	18,000	39.68
Do	287.35	314.25	60		16,200	35.71
All silk, yarn dyed, weighted, colored		9.00		28		1.94
Do		50.00		24	3,000	6.61
Do		90.00		28		14.15
Do		12.16		28		2.56
Do		0.08		27		.02
Do		16.09		28		4.65
Do		2.09		28		.47
Do		7.00		28		1.58
Silk and cotton, over 45 per cent silk, yarn dyed, colored, weighted	48.85	53.52	65		3,200	7.05
Do	46.40	50.74	65		2,750	6.06
Do	120.45	131.73	65		6,700	14.77
Do	90.45	98.92	65		5,950	13.12
Do	101.50	111.00	65		6,950	15.32
Do	103.55	113.24	65		6,800	14.99
Do	25.00	27.34	65		1,400	3.09
Do	24.10	25.36	66		1,500	3.31

Description.	Value.		Primary specific rate per pound.	Actual duty paid.	Amount of specific rate per pound.	Per cent.
	Foreign.	United States.				
	Marks.					
Silk and cotton, 20–30 per cent silk, yarn dyed, colored	1,495.05	$355.82	$0.90	$177.91	$140.28	78.75
Do	1,453.00	345.81	.90	172.90	161.26	93.20
Do	785.40	186.93	.90	93.48	79.86	85.45
Silk and cotton, under 20 per cent silk, piece dyed	230.15	54.78	.60	27.39	24.34	88.90
Do	87.90	20.94	.60	10.47	8.66	83.00
Do	81.75	19.46	.60	9.73	7.50	78.00
Silk and cotton, 30–45 per cent silk, yarn dyed, colored	485.80	115.63	1.30	57.81	51.58	89.00
Do	388.65	92.51	1.30	46.26	46.42	100.00
	£. s. d.					
All silk, yarn dyed, weighted, colored	4 5 9	20.87	2.25	10.44	4.36	42.00
Do	16 0 8	78.02	2.25	39.01	14.87	38.00
Do	22 9 3	109.31	2.25	54.65	31.84	58.30
Do	5 6 5	25.89	2.25	12.95	5.76	44.50
Do	2 13 2	12.93	2.25	6.47	1.40	21.50
Do	6 19 6	33.94	2.25	16.97	10.47	60.00
Do	1 0 0	4.87	2.25	2.44	1.05	43.00
Do	3 1 5	14.94	2.25	7.47	3.44	46.00
	Austrian crowns.					
Silk and cotton, over 45 per cent silk, yarn dyed, colored, weighted	243.40	49.41	2.25	24.70	15.86	64.00
Do	195.85	39.76	2.25	19.88	13.64	68.00
Do	495.20	100.53	2.25	50.27	33.23	66.00
Do	391.95	79.57	2.25	39.78	29.52	74.20
Do	441.95	89.72	2.25	44.86	34.47	77.00
Do	455.80	92.53	2.25	46.26	33.73	73.00
Do	109.25	22.18	2.25	11.09	6.95	62.50
Do	109.20	22.17	2.25	11.09	7.45	67.20

REPRESENTATIVES OF DOMESTIC MANUFACTURERS OF UPHOLSTERY FABRICS ASK FOR A NEW CLASSIFICATION.

WASHINGTON, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the matter of the revision of paragraph 391 of the tariff act of 1897, so far as the same relates to Jacquard figured goods, silk chief value, containing two or more colors in the filling, we wish to state that the undersigned represent domestic manufacturers of Jacquard tapestry or upholstery fabrics, composed in chief value of silk.

We complain of an evasion of the following provision in paragraph 391:

* * * All Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, *and containing two or more colors in the filling*, fifty per centum ad valorem. * * *

These goods are designed especially for upholstery purposes and have replaced to a large extent the similar domestic product. (See brief of the undersigned on the revision of paragraph 316.)

In 1900 an evasion of the present provision was perpetrated in the following manner: The act says "containing two or more colors in the filling." The foreign manufacturers made a Jacquard fabric which in real truth contained only one color in the filling, but upon the back thereof, forming no part of the design and not showing upon the face of the fabric, they placed at intervals of about one-half inch a single cotton thread different in color from the regular filling thread.

The collector disregarded the attempted evasion of the tariff and classified the goods under paragraph 387, where they properly belong. The importers protested and the issue came before the Board of General Appraisers.

The board found, in addition to the facts set forth, that the occasional cotton threads did not constitute exceeding 2 per cent of the component materials of the goods. Their decision (T. D., 22178; G. A., 4705) says:

Indeed an inspection of the samples in evidence is sufficient to establish these facts and to make it manifest that resort was had to the rather bunglingly accomplished artifice of introducing these occasional threads for the sole purpose of removing the goods from classification under the specific provisions of paragraph 387 of the tariff act of July 24, 1897, as properly made by the collector, and to bring them within the provision in paragraph 391 of said act for "all Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling." It is upon these threads that the protestants place their claim, and upon which they rely for a reversal of the collector's decision respecting the dutiable classification of the goods.

Upon the ground that this was a deliberate contrivance of questionable propriety to escape the lawful duties accruing upon the merchandise, the board overruled the protest of the importers.

The importers appealed, and the decision of the circuit court is found in Johnson *v.* United States (123 Fed. Rep., 997). The court reversed the board upon the ground that the evasive intent evident

in the manufacture of the goods could not be allowed to affect their classification.

It is therefore law to-day that goods of this kind which are obviously not within the fair meaning of paragraph 391 are allowed entry thereunder instead of being assessed with the higher duties prescribed in paragraph 387.

We propose the following amendment: After the words "and containing" insert the following: "as part of the design and appearing upon the face of the fabric."

The present rate of 50 per cent does not afford the domestic manufacturers of these goods a fair measure of protection. They are placed in the present act in the catch-all clause of the silk schedule, whereas they are fully entitled to a separate provision. Much the same argument can be advanced with respect to these fabrics as is set forth in the brief of the undersigned, filed with this committee, on the revision of paragraph 316 and referring to cotton upholstery fabrics.

We therefore propose that a separate provision be adopted which shall prescribe a duty of 55 per cent ad valorem thereon.

KAMMERLOHR & DUFFY,
New York.

(Appearing for The Orinoka Mills, Stead & Miller Company, Philadelphia Tapestry Company, The Moss Rose Manufacturing Company, Bromley Manufacturing Company, Rosenheim Brothers, George Brooks & Sons, A. Theodore Abbott & Co., Thompson & Hallowell, and Vigilant Mills, Philadelphia; Robert Lewis & Co., Frankford, Pa.; J. B. Ryer, Son & Co., Paterson, N. J.)

SILK GOODS.

STATEMENT OF ARTHUR W. WATSON, OF 83 GREEN STREET, NEW YORK CITY, RELATIVE TO SILKS.

TUESDAY, *December 1, 1908.*

Mr. WATSON. We have a brief here that we want to submit. Shall we read it—it is very short—or shall we hand it in?

The CHAIRMAN. Just as you choose about that.

Mr. WATSON. We will hand it in, sir.

(The following brief was submitted by Mr. Watson:)

Gentlemen, the committee appointed by the importers of silks and silk goods to appear before the Committee on Ways and Means has been instructed to ask that all rates on silk goods be adjusted on a purely specific basis.

As the classifications of silk goods need considerable and careful study in order to be equitable to all interests concerned and as the time has been very limited to work out such a schedule, it is our intention to confer with the committee of the Silk Association of America for the purpose of cooperating with them in framing a proper schedule. We therefore ask the indulgence of your honorable committee to sub-

mit within a reasonable time a schedule of rates which we believe will be satisfactory to you and to all interests concerned.

We desire to emphasize the fact that all ad valorem rates shall be abolished.

Respectfully submitted.

A. W. WATSON,
WALTER KOBBE,
SAMUEL KRIDEL,
HENRY F. TIEDEMANN,
Committee.

STATEMENT OF SAMUEL KRIDEL, OF NO. 47 GREEN STREET, NEW YORK CITY, RELATIVE TO SILK BRIEF.

TUESDAY, *December 1, 1908.*

Mr. KRIDEL. I will simply say that we all signed the brief that was last submitted by the committee representing the importers, the brief submitted by Mr. Watson.

STATEMENT OF F. W. CHENEY, OF MANCHESTER, CONN., REPRESENTING THE SILK ASSOCIATION OF AMERICA.

TUESDAY, *December 1, 1908.*

Mr. CHENEY. I appear here as the chairman of the revenue laws committee of the Silk Association of America. We have expressed our views in our brief which we will submit, to be either read or filed as you wish. We wish to take up as little time as possible.

The CHAIRMAN. You may read your brief.

(Following is the brief submitted by Mr. Cheney:)

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: The Silk Association of America has authorized the members of its committee on revenue laws to appear before the Committee on Ways and Means at the hearing on the silk schedule, Tuesday, December 1, and represent it in all matters relating to the tariff revision to come before Congress.

Our committee has earnestly endeavored to harmonize the views of the domestic manufacturers and the importers of silk goods. We have hopes of being able to bring about the cooperation of both parties to secure substantially the recommendations as to rates of duty required under the new tariff, but it requires more time than we have at our disposal to bring about such an agreement to report to you to-day.

We are earnestly trying to make the duties, so far as practicable, specific and only to resort to ad valorem rates in cases where specific duties can not be applied equitably. Ad valorem rates are theoretically the fairest ones, but many years' experience has proved that they can not be collected because of undervaluation, and they lead

to the demoralization of the import trade and give unfair advantages to unscrupulous importers.

Under the Dingley bill specific duties were imposed so far as they seemed to be at that time practicable. The Dingley tariff has worked fairly well on the whole, but some weak points have developed the fact that in extreme cases the rates have been excessive and in others inadequate. It is our wish to correct these inequalities and to make specific rates bear more uniformly.

Silks belong to the class of luxuries consumed by the rich. Taxes on these articles do not bear heavily on the laboring classes, who can escape them altogether without hardship whenever wages are not ample enough to permit indulgence in even moderate luxuries.

The profits in silk manufacture are not excessive, considering the risks incurred. No large fortunes have been acquired by silk manufacturers, and there is not even one very rich silk manufacturer in this country. The production of silk goods is absolutely on a free competitive basis, without any combination. One result of this home competition has been to materially decrease the cost of silk goods to consumers.

A severe cut in the tariff rates on silks will be followed immediately by a cut in the wages of the workers in the silk mills, who are in no way responsible for the economies which will be forced upon their employers. They have already suffered enough during the panic year we have just passed through and can ill afford to be subjected to further losses.

It is our intention to cooperate with you in any way in our power to facilitate the revision of the tariff, and to do so with as little delay as possible. If you wish us to furnish in detail the rates of ad valorem and specific duties to be applied we will prepare them.

We are not here to protest against anything, and will accept whatever your honorable body desires.

We respectfully request more time to work out our figures before finally submitting them to you. We will have them ready by the time you really require them. Our present wish is to encroach as little as possible on your valuable time and to do nothing that can be construed as obstructive or not responsive to your investigations of existing conditions.

Respectfully submitted.

F. W. CHENEY,
JACQUES HUBER,
WILLIAM SKINNER,
CHAS. F. HOMER,
OTTO ANDREWS,
Committee on Revenue Laws of the Silk Association of America.

Attest:
FRANKLIN ALLEN, *Secretary.*

SUGGESTED SILK SCHEDULE.

RATES AND CLASSIFICATION OF SILKS RECOMMENDED BY THE COMMITTEE OF THE SILK ASSOCIATION OF AMERICA.

SOUTH MANCHESTER, CONN.,
January 26, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Silks and silk goods occupy a position different from most commodities. There is no such thing ascertainable, either in this country or abroad, as market value. Two colors or prints of the same texture may sell at the same time for a variation of 25 per cent in price, while two months later that which sold at the higher price may be sold at less than the other. The market prices are fixed by the freaks of fashion in women's dress. Costs in foreign countries vary greatly with the country in which the goods are produced. Silk is one of the very few articles of manufacture made in the United States which comes into direct competition with goods made in oriental countries.

For these reasons importers, manufacturers, and the customs authorities have had great difficulties in meeting questions of import values and unfair competition due to undervaluation of goods for import. Therefore, all are agreed that specific rates, wherever possible of application, are the only ones that are fair.

The schedules herewith submitted are the result of careful computation and much compromise and giving way on the part of those interested in the trade, in order to secure the one thing that all are anxious to have—specific rates.

In some industries American labor is much more productive than foreign. This is not the case in the silk industry. European machinery in the best mills is quite the equal of the best in America. Many American manufacturers even import their looms.

In Japan modern mills are being built rapidly, equipped with the very best American and European machinery. While it is doubtless true that in some industries Japanese labor can not be profitably employed, it is not true in silk. The Japanese and Chinese were proficient in the silk industry before it was known in Europe. They have been accustomed to handling silk for generations and have the soft hands and supple fingers necessary, while the American manufacturer is often compelled to take as labor Irish, Swedes, Germans, and Poles, who have never known silk and whose hands are roughened with work on the farm.

Owing to the lower cost of labor in foreign countries, the manufacturer is able to use cheaper materials than it would pay to handle with our high-priced labor. It has even occurred that goods were invoiced from Japan at lower prices than the American manufacturer would have paid for his material from which to make them, but the American manufacturer would have made more perfect goods.

Wages paid in the United States and foreign countries, taken from private and consular reports, are as follows, taking as a basis of comparison wages paid to weavers, the largest labor item:

	Wages per day.		Hours of labor per day.
	Men.	Women.	
United States (Connecticut, New Jersey, and New York)	$1.50 to $3.00	$1.00 to $2.50	8 to 10
Average about	2.25	1.60	.....
France and Switzerland (Lyons and vicinity, Zurich, etc.)	.75 to 1.50	.50 to .90	9 to 11
Italy (Como, etc.)	.50 to .80	.30 to .60	9½ to 12
Japan (power looms, pay includes board and lodging)	.15 to .20	.10 to .12	10 to 14
China (no power looms)	.10 to .12	.06 to .09	10 to 14

The average pay of the employees in a large American factory—men, women, boys, and girls—was $1.75 per day. The United States now manufactures more silk goods than any other country in the world unless it is China, whose product it is imposible to ascertain.

Table showing the condition of the silk industry in the United States for a term of years.

	Census of—					
	1905.	1900.	1890.	1880.	1870.	1860.
Number of establishments	624	483	473	382	86	139
Capital[a]	$109,556,621	$81,082,201	$61,007,537	$19,125,300	$6,231,130	$2,926,980
Salaried officials, clerks, etc. (number of)	4,027	2,657	1,531	(b)	(b)	(b)
Salaries	$4,742,270	$3,134,352	$1,917,877	(b)	(b)	(b)
Wage-earners, average number	79,601	65,416	49,382	31,337	6,649	5,435
Total wages	$26,767,943	$20,982,194	$17,762,441	$9,146,705	$1,942,286	$1,050,224
Miscellaneous expenses	$14,052,777	$10,264,208	$4,259,623	(c)	(c)	(c)
Cost of materials used	$75,861,188	$62,406,665	$51,004,425	$22,467,701	$7,817,559	$3,901,777
Value of products, including amount received for contract work	$133,288,072	$107,266,258	$87,298,454	$41,033,045	$12,210,662	$6,607,771
Raw silk used, pounds	11,572,783	9,760,770	6,376,881	2,690,482	684,448	462,965
Value of products duplicated	$14,754,512	$14,805,046	$18,143,855	.....	.....	.....
Net value of product	$118,533,560	$92,451,512	$69,154,299	.....	.....	.....

[a] Does not include dyeing, conditioning, designing, card cutting, loom and machinery building, mill-supply establishments, nor rented buildings.
[b] Not reported separately.
[c] Not reported.

FREE LIST.

PARAGRAPH 498.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
Bolting cloths composed of silk, imported expressly for milling purposes, and so permanently marked as not to be available for any other use.		No change.

PARAGRAPH 660.

Silk, raw, or as reeled from the cocoon, but not doubled, twisted, or advanced in manufacture in any way.	Silk, raw, or as reeled from the cocoon, or rereeled if in skeins, but not doubled, twisted, or advanced in manufacture in any way.	Change made in order to specifically cover court decisions, Klots *v.* United States (139 Fed. Rep., 606; T. D. 26450, May 24, 1905) and in G. A. 5767 (T. D. 25524, Aug. 4, 1904).

PARAGRAPH 661.

Silk cocoons and silk waste.		No change.

PARAGRAPH 662.

Act of 1897.	*Paragraphs as amended or reconstructed.*	*Remarks.*
Silkworm's eggs.	Silkworm eggs.	The eggs are not laid by a worm, but by a moth.

PARAGRAPHS 384 AND 385.

Paragraph 384.—Silk partially manufactured from cocoons or from waste silk, and not further advanced or manufactured than carded or combed silk, forty cents per pound.	Spun Silk or Schappe Silk. Silk manufactured from Cocoons or from Waste Silk of any kind; if not further advanced or manufactured than carded or combed silk; thirty-five cents per pound.	Reduction of 5 cents per pound.
Paragraph 385—Second part. Spun silk in skeins, cops, warps, or on beams, valued at not exceeding one dollar per pound, twenty cents per pound and fifteen per centum ad valorem;	if threads or yarns and valued at not over ninety cents per pound, thirty-five cents per pound;	Tariff of 1897 interjects thrown silk between two parts of the spun-silk industry; namely, the combed or carded silk and spun silk, an incorrect arrangement. This low-class ad valorem is in order to cover tussahs and other wild silks not possible to cover by specific duty per number. If committee advanced limit to $1 there would be no serious objection, though some other yarns would then come under it.

valued at over one dollar per pound and not exceeding one dollar and fifty cents per pound, thirty cents per pound and fifteen per centum ad valorem;

valued at over one dollar and fifty cents per pound and not exceeding two dollars per pound, forty cents per pound and fifteen per centum ad valorem;

valued at over two dollars per pound and not exceeding two dollars and fifty cents per pound, fifty cents per pound, and fifteen per centum ad valorem;

valued at over two dollars and fifty cents per pound, sixty cents per pound and fifteen per centum ad valorem;

but in no case shall the fore-

if threads or yarns in the gray, not dyed or bleached, valued at over ninety cents per pound, in skeins, warps, or cops, not advanced beyond the condition of singles, by grouping or twisting two or more single yarns together; if not finer than number two hundred and five, forty five cents per pound and one-tenth of a cent per number per pound;

if finer than number two hundred and five, forty five cents per pound, and fifteen one hundredths of a cent per number per pound;

if advanced beyond the condition of singles by grouping or twisting two or more single yarns together; if not finer than number two hundred and five, fifty cents per pound and one tenth of a cent per number per pound; if finer than number two hundred and five fifty cents per pound and fifteen one hundredths of a cent per number per pound;

if on bobbins, spools or beams, ten cents per pound additional; if colored, bleached, or dyed, in skeins or warps, ten cents per pound additional;

if colored, bleached, or dyed on bobbins, cops, spools or beams, twenty cents per pound additional.

In assessing the duty on threads or yarns manufactured from cocoons, or from waste silk, the number shall be that indicated by the French or Metric system of 1000 meters per kilogramme per number; in all cases, the number shall refer to the size of the singles of which said yarn is composed.

This is a conversion of mixed specific and ad valorem duties into straight specific. It is estimated that the duties will average slightly lower, but as there is a considerable range of value in the same number it will be a higher duty on the low grades and a lower duty on the high grades. The increased duty on the fine numbers is necessary as they are much more expensive to spin.

The change is made because of pressure on the part of the importers and manufacturers using spun silk, in order to escape troubles in the custom-house caused by change of price between contract and delivery; and to prevent undervaluation, values of spun silk being difficult to determine even by an expert.

They hope that in this way they will be on an equal footing.

The manufacturers of spun silk are not very anxious to have the change, although specific duties have the advantage of always being collected.

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PARAGRAPHS 384 AND 385—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
going articles pay a less rate of duty than thirty five per centum ad valorem.		
Paragraph 385—First part.		
Thrown Silk	Thrown silk in the gum, if singles fifty cents per pound; if tram seventy five cents per pound; if organzine, one dollar per pound; if ungummed, wholly or in part, or if further advanced in manufacture in any way, in addition thereto, fifty cents per pound:	Conversion of ad valorem into specific duties with considerable reduction.
not more advanced than singles,		
Tram,		
Organzine.		
Sewing Silk,	Sewing silk, twist, floss, and silk threads or yarns of any description made from raw silk, not specially provided for in this act, if in the gum, one dollar per pound; if ungummed, wholly or in part, or if further advanced in manufacture in any way, one dollar and fifty cents per pound.	
Twist,		
Floss, and		
Silk threads or yarns of every Description,		
except spun silk,		
thirty per centum ad valorem.		

PARAGRAPH 380.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
Velvets, velvet or plush ribbons, chenilles, or other pile fabrics, cut or uncut, composed of silk, or of which silk is the component material of chief value, not specially provided for in this Act, one dollar and fifty cents per pound and fifteen per centum ad valorem;	Velvets, chenilles, or other pile fabrics, not specially provided for in this Act, cut or uncut, composed of silk, or of which silk is the component material of chief value, weighing not less than six and one quarter ounces per square yard, one dollar and fifty cents per pound; if weighing less than six and one quarter ounces per square yard, but not less than four ounces, three dollars and twenty cents per pound; if weighing less than four ounces per square yard, four dollars per pound.	The duties on velvets, plushes, etc., are changed from mixed duties, part specific and part ad valorem, to straight specific duties. The existing 50 per cent saving clause is dropped. Under this last-named clause a large part of the velvets, plushes, etc., brought into this country has been imported. Under the proposed plan the rate of duty upon the cheaper classes of goods is lowered, by dropping the 15 per cent ad valorem clause. The higher classes of goods, which are the lightest in weight per square yard, will come under the higher specific rates. These rates will yield the equivalent of 50 per cent ad valorem approximately. The division lines, by weight, between the various classes have been very carefully placed, in order to throw practically all cotton-backed velvets and plushes into the lowest classification. Those qualities that would appear to go into the higher classification on present weights per square yard will be thrown into the lower class by a change of two or three numbers in the cotton yarn used for filling without materially changing the goods or cost.

PARAGRAPH 386—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
plushes, composed of silk, or of which silk is the component material of chief value, one dollar per pound and fifteen per centum ad valorem: but in no case shall the foregoing articles pay a less rate of duty than fifty per centum ad valorem.	Plushes, including hatter's plush, cut or uncut, composed of silk, or of which silk is the component material of chief value, if weighing not less than nine and one half ounces per square yard, one dollar per pound; if weighing less than nine and one half ounces per square yard, two dollars and forty cents per pound. Measurements to ascertain width of goods for determining weight per square yard, of the foregoing articles, shall not include the selvedges, but the duty shall be levied upon total weight of goods, including the selvedges. In distinguishing between "Plushes" and "Velvets" the length of the pile shall be considered. Such goods, in the above classification, shall be considered as "Plushes" in which the length of the pile is three and one half millimeters or more. Such goods shall be classed as "Velvets" in which the length of the pile is less than three and one half millimeters. Velvet or plush ribbons, or other pile fabrics not over twelve inches in width, cut or uncut, of which silk is the compo-	Hatters' plush now pays a duty of 10 per centum ad valorem, and is consequently not now made in this country. If protected as proposed it would undoubtedly be made here also. Velvet and plush ribbon have been taken out of paragraph 389 of the amended and reconstructed schedule and added to paragraph 386, which makes this section include all pile fabrics, as did the equivalent one of the 1897 act. This paragraph has also been made spe-

nent material of chief value not specially provided for in this Act, if containing no silk except that in the pile and selvedges; if black one dollar and sixty cents per pound; if other than black one dollar and seventy five cents per pound; if containing silk other than that in the pile and selvedges; if black two dollars and twenty five cents per pound; if other than black two dollars and fifty cents per pound. If the width is not more than three quarters of an inch, forty cents per pound shall be added to the rates per pound for every quarter of an inch of which the width is less than three quarters of an inch.

cific instead of ad valorem, because it has been found that the value of velvet ribbon fluctuates so violently even between the date of purchase and the date of arrival that an ad valorem duty where honestly enforced works great hardship to the importer.

In the great majority of cases it can not be honestly enforced and results in gross undervaluation. Ribbons can not be entered at the same rates as broad goods, because practically all ribbons weigh more than the various weight classifications established for broad goods and at the same time they contain a much higher proportion of labor.

PARAGRAPH 387.

Act of 1897.

Woven fabrics in the piece, not specially provided for in this Act, weighing not less than one and one third ounces per square yard and not more than eight ounces per square yard;

.....

Paragraph as amended or reconstructed.

Woven fabrics in the piece not specially provided for in this Act, if weighing not more than one third of an ounce per square yard four dollars per pound; if weighing more than one third of an ounce but not more than two thirds of an ounce per square yard; if in the gum three dollars per pound; if ungummed wholly or in part three dollars and twenty five cents per pound; if dyed or printed in the piece or further advanced in manufacture in any way three dollars and fifty cents per pound. If weighing more than two thirds of an ounce but not more than one ounce per square yard; if in the gum two dollars and sixty five cents per pound;

Remarks.

Paragraph 387, 1897, commences with the silk and cotton mixed goods in the gum, dyed in the piece and printed, weighing more than 1½ ounces. Next come the all-silk goods of the same class, then the yarn-dyed goods, and last the lighter weight piece-dyed silks.

As reconstructed, all piece-dyed and printed goods are together from the lightest to the heaviest, and all yarn-dyed goods follow.

Owing to the fact that the 50 per cent saving clause is dropped, it has seemed best to increase the classifications to at least double the number in order that specific duties may bear more evenly.

PARAGRAPH 387—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
Paragraph 387—Last part (page 507).		
if in the gum		
two dollars and fifty cents		
per pound;		
if boiled off, or		
dyed in the piece, or		
printed,		
three dollars per pound;		
if weighing less than		
one and one third		
ounces and		
more than one third		
of an ounce		
per square yard,		
if in the gum, or		
(if dyed in the thread or yarn,		
two and one half dollars per pound;)		
if weighing less than	if ungummed, wholly or in part, three dollars per pound; if dyed or printed in the piece or further advanced in manufacture in any way three dollars and twenty five cents per pound; if weighing more than one ounce but not more than one and one third ounces per square yard; if in the gum two dollars and fifty cents per pound; if ungummed wholly or in part two dollars and eighty-five cents per pound; if dyed or printed in the piece or further advanced in manufacture in any way three dollars and ten cents per pound.	The highest duty is reduced from $4.50 to $4 per pound, and the lowest duties increased slightly. It is estimated that the average will not show any increase. The phrase "Ungummed wholly or in part" is substituted for "Boiled off," the latter term being ambiguous, as gum can be removed by chemicals as well as by boiling. It has also been claimed that to be boiled off all gum must be removed. "If dyed or printed in the piece or further advanced in manufacture in any way" is substituted for "If dyed or printed in the piece," because goods can be colored with spray without dyeing, they may be stenciled, embossed, watered, and otherwise advanced in manufacture not specifically covered by the present law.

one and one third ounces
and more than
one third of an ounce
per square yard,
if boiled off,
three dollars per pound;
if dyed or printed in
the piece,
three dollars and twenty-
five cents per pound;
if weighing not more than
one third of an ounce
per square yard,
four dollars and fifty cents
per pound;
but in no case
shall any of the
foregoing fabrics in
this paragraph
pay a less rate of duty

PARAGRAPH 387—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
than fifty per centum ad valorem. Paragraph 387—First part. Woven fabrics in the piece, not specially provided for in this Act, weighing not less than one and one third ounces per square yard and not more than eight ounces per square yard, and containing not more than twenty per centum in weight of silk, if in the gum, fifty cents per pound, and if dyed in the piece,	if weighing more than one and one third ounces, but not more than two ounces and if containing not more than twenty per centum in weight of silk, if in the gum seventy cents per pound; if ungummed wholly or in part or if dyed or printed in the piece or further advanced in manufacture in any way eighty five cents per pound; if containing more than twenty per centum in weight of silk, but not more than thirty per centum; if in the gum, eighty five cents per pound; if ungummed wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way, one dollar and ten cents per pound; if containing more than thirty per centum in weight of silk but not more than forty per centum: if in the gum, one dollar and five cents per pound, if ungummed, wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way one dollar and twenty-five cents per pound; if containing more than forty per centum in weight of silk, but not more than fifty per centum; if in the gum one dollar and twenty-five cents per pound; if ungummed, wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way one dollar and	Instead of one there are two classifications, viz, from 1¼ ounces to 2 ounces, from 2 ounces to 8 ounces. This helps to make the duties bear more evenly. The duties appear to be higher, but the 50 per cent saving clause is dropped, and it is estimated that the duties will not average more than 50 per cent.

sixty cents per pound;

if containing more than

twenty per centum

and not more than

thirty per centum in weight

of silk,

if in the gum,

sixty five cents per pound,

and if dyed in the piece,

eighty cents per pound;

if containing more than

thirty per centum

and not more than

forty five per centum

in weight of silk,

if in the gum,

ninety cents per pound, and

if dyed in the piece,

one dollar and ten cents

per pound.

fifty cents per pound: if containing more than fifty per centum in weight of silk or if wholly of silk: if in the gum two dollars and fifty cents per pound; if ungummed wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way three dollars per pound; if weighing more than two ounces per square yard, but not more than eight ounces, and if containing not more than twenty per centum in weight of silk; if in the gum fifty seven and one half cents per pound; if ungummed wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way seventy cents per pound; if containing more than twenty per centum in weight of silk but not more than thirty per centum; if in the gum seventy five cents per pound; if ungummed, wholly or in part, of if dyed or printed in the piece or further advanced in manufacture in any way ninety cents per pound; if containing more than thirty per centum in weight of silk but not more than forty per centum if in the gum ninety cents per pound; if ungummed wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way one dollar and ten cents per pound; if containing more than forty per centum in weight of silk but not more than fifty per centum; if in the gum one dollar and ten cents per pound; if ungummed wholly or in part, or if dyed or printed in the piece or further advanced in manufacture in any way one dollar and thirty cents per pound; if containing more than fifty per centum in weight of silk, or if wholly of silk; if in the gum two dollars and

PARAGRAPH 387—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
if dyed in the thread or yarn and containing not more than thirty per centum in weight of silk, if black (except selvedges), seventy-five cents per pound, and if other than black, ninety cents per pound; if containing more than thirty and not more than forty-five per centum	twenty five cents per pound; if ungummed, wholly or in part, or if dyed or printed or further advanced in manufacture in any way two dollars and seventy five cents per pound; Woven fabrics in the piece, not specially provided for in this Act, if dyed in the thread or yarn, and if weight is not increased in dyeing beyond the original weight of the raw silk, three dollars per pound; if weight is increased in dyeing beyond the original weight of raw silk; if weighing more than one third of an ounce, but not more than one ounce, per square yard; if black, (except selvedges) two dollars and twenty five cents per pound; if other than black three dollars per pound; if weighing more than one ounce, but not more than one and one third ounces, per square yard; if black, (except selvedges), two dollars per pound; if other than black two dollars and seventy-five cents per pound; if weighing more than one and one third ounces, but not more than one and two thirds ounces per square yard; if black, (except selvedges), one dollar and eighty cents per pound; if other than black two dollars and fifty cents per pound; if weighing more than one and two thirds ounces but not more than two ounces per square yard; if black, (except selvedges), one dollar and sixty five cents per pound; if other than black two dollars and twenty-	In the yarn dyed goods it has been thought best to make several classifications: First. Pure dye goods. Second. Weighted goods, one-third ounce to 1 ounce per square yard. Third. Weighted goods, 1 ounce to 1½ ounces per square yard. Fourth. Weighted goods, 1½ to 1¾ ounces per square yard. Fifth. Weighted goods, 1¾ to 2 ounces per square yard. Sixth. Mixed goods, 2 ounces to 8 ounces per square yard. Seventh. Weighted goods, 2 ounces to 8 ounces per square yard. Duties on the last class are fixed by the number of threads per inch. Generally speaking, the fewer the threads the heavier is the weighting and lower the duty per pound. The problem is a difficult one to cover such goods properly under specific rates, but we believe that the classifications given will be equitable and amount to about 50 per cent. The saving clause is dropped on everything except high-class fancy goods, made on Jacquard

in weight of silk,

if black (except selvedges),

one dollar and ten cents

per pound, and

if other than black,

one dollar and thirty cents

per pound;

if containing more than

forty-five per centum

in weight of silk, or

if composed wholly of silk,

if dyed in the thread or yarn and

weighted in the dyeing

so as to exceed the original

weight of the raw silk,

if black (except selvedges)

one dollar and fifty cents

per pound, and if other

than black, two dollars and

twenty-five cents per pound;

five cents per pound; if weighing more than two ounces but not more than eight ounces per square yard and if containing not more than thirty per centum in weight of silk; if black, (except selvedges), seventy five cents per pound; if other than black ninety cents per pound: if containing more than thirty per centum in weight of silk, but not more than forty per centum; if black, (except selvedges) one dollar and ten cents per pound; if other than black one dollar and thirty cents per pound; if containing more than forty per centum in weight of silk or if composed wholly of silk, and if having not more than two hundred and twenty single threads to the inch in the warp; if black (except selvedges) one dollar and fifty cents per pound, if other than black two dollars per pound; if having more than two hundred and twenty single threads to the inch in the warp, but not more than three hundred: if black (except selvedges) one dollar and sixty five cents per pound, if other than black two dollars and twenty five cents per pound: if having more than three hundred single threads to the inch in the warp, but not more than three hundred and eighty; if black (except selvedges) one dollar and eighty cents per pound; if other than black two dollars and fifty cents per pound: if having more than three hundred and eighty single threads to the inch in the warp, but not more than four hundred and sixty: if black (except selvedges) two dollars per pound; if other than black two dollars and seventy five cents per pound: if having more than four hundred and sixty single threads to the looms or having two or more colors in the filling.

PARAGRAPH 387—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
if dyed in the thread or yarn, and the weight is not increased by dyeing beyond the original weight of the raw silk, three dollars per pound; .....(page 507) if weighing less than one and one third ounces and more than one third of an ounce per square yard, ... if dyed in the thread or yarn, two and one-half dollars per pound; Paragraph 391. All manufactures of silk, or of which silk	inch in the warp; if black (except selvedges) two dollars and twenty five cents per pound; if other than black three dollars per pound: if printed in the warp and if weighing not more than one and one third ounces per square yard three dollars and fifty cents per pound: if weighing more than one and one third ounces, but not more than two ounces per square yard three dollars and twenty five cents per pound; if weighing more than two ounces per square yard two dollars and seventy five cents per pound. But in no case shall any goods made on Jacquard looms and goods containing more than one color in the filling, including such as have india rubber as a component material, pay a less rate of duty than fifty per centum ad valorem;	A special classification is arranged for printed warp goods because the cost per pound and the percentage of labor is much higher than in other goods of the same texture.

is the component material of chief value, including such as have india rubber as a component material, not specially provided for in this Act, and all Jacquard figured goods in the piece, made on looms, of which silk is the component material of chief value, dyed in the yarn, and containing two or more colors in the filling, fifty per centum ad valorem.		

PARAGRAPH 388.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
Handkerchiefs or mufflers composed wholly or in part of silk	Handkerchiefs or mufflers composed wholly of silk or of which silk is the component material of chief value,	
whether in the piece or otherwise, finished or unfinished,	whether in the piece or otherwise, finished or unfinished,	

PARAGRAPH 388—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
if not hemmed or hemmed only,	if not hemmed or hemmed only,	
shall pay the same rate of duty	shall pay the same rates of duty	
as is imposed on	as is imposed on	
goods in the piece of the same	goods in the piece of the same	
description, weight, and	description, weight, and	
condition	condition	
as provided for in this	as provided for in this	
schedule;	schedule;	
but such handkerchiefs		The saving clause is dropped, making the duty straight specific.
or mufflers		
shall not pay a less rate of		
duty than fifty per centum		
ad valorem;		
if such handkerchiefs	if such handkerchiefs	
or mufflers are hemstitched	or mufflers are hemstitched	
or imitation hemstitched, or	or imitation hemstitched, or	
revered, or	revered, or	

have drawn threads, or are embroidered in any manner, whether with an initial letter, monogram, or otherwise, by hand or machinery, or are tamboured, appliqued, or are made or trimmed wholly or in part with lace, or with tucking or insertion, they shall pay a duty of ten per centum ad valorem in addition to the duty hereinbefore prescribed, and in no case less than sixty per centum ad valorem.	have drawn threads, or are embroidered in any manner, whether with an initial letter, monogram, or otherwise, by hand or machinery, or are tamboured, appliqued, or with tucking or insertion, they shall pay in addition thereto one-fifth of the rates hereinbefore prescribed.	Lace transferred to paragraph 389, impossible to fix specific duties. The saving clause is dropped, making the duty straight specific.

PARAGRAPH 389.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
	Ribbons,	Specific schedules have been prepared for ribbons and will be presented if desired, though the importers and manufacturers have not been able to agree either as to rates or methods.
bandings, including	bandings, including	
hat bands,	hat bands,	
beltings,	beltings,	
bindings,	bindings,	Ribbons of all kinds are so persistently undervalued and so difficult to assess that not more than 30 per centum is probably collected. This paragraph might be combined with paragraph 390. Over 12 inches assessed as broad goods.
	not exceeding twelve inches in	
	width, and if with fast edges,	Velvet and plush ribbons under paragraph 386.
bone casings,	bone casings,	
braces,	braces,	
cords,	cords,	
cords and tassels,	cords and tassels,	
garters,	garters,	
gorings,	gorings,	
suspenders,	suspenders,	
tubings, and	tubings, and	
webs and webbings,	webs and webbings,	
composed wholly or in part of	composed wholly or in part of	
silk, and	silk, and	

whether composed in part of	whether composed in part of	
india-rubber or otherwise,	india-rubber or otherwise,	
if not embroidered in any manner	if not embroidered in any manner	
by hand or machinery,	by hand or machinery,	
fifty per centum ad valorem.	fifty per centum ad valorem.	

PARAGRAPH 390.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
Laces, and	Laces, and	
articles made	articles made	
wholly or in part of lace,	wholly or in part of lace,	
edgings,	edgings,	
insertings,	insertings,	
galloons,	galloons,	
chiffon or other	chiffons in all widths,	
flouncings,	flouncings,	
nets or nettings and	nets or nettings and	
veilings,	veilings,	
neck rufflings,	neck rufflings,	
ruchings,	ruchings,	

PARAGRAPH 390—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
braids,	braids,	
fringes,	fringes,	
trimmings,	trimmings,	
	ornaments,	
embroideries and	embroideries and	
articles embroidered	articles embroidered	
by hand or machinery, or	by hand or machinery, or	
tamboured or appliquéed,	tamboured or appliqueed,	
clothing ready made, and	clothing ready made, and	
articles of wearing apparel	articles of wearing apparel	
of every description,	of every description,	
including knit goods,	including knit goods,	
made up or manufactured,	made up or manufactured	
in whole or in part	in whole or in part	
by the tailor, seamstress, or	by the tailor, seamstress, or	
manufacturer;	manufacturer;	
all of the above named	all of the foregoing	

articles made of silk, or	made of silk, or of	Changes of phraseology as suggested in Notes on Tariff Revision, pages 512, 513, 514.
of which	silk and india-rubber, or of	
silk is the	silk, india-rubber, and metal, or	
component material of chief value,	of which	
not specially provided for in	silk is the	
this Act, and	component material of chief value,	
silk goods ornamented with	not specially provided for in	
beads or spangles,	this Act, and	
of whatever material composed,	silk goods ornamented with	
sixty per centum ad valorem:	beads or spangles,	
provided,		
	sixty per centum ad valorem:	
That any wearing apparel	*provided*,	
or other articles		
provided for in this paragraph	That articles composed	
(except gloves)	wholly or in chief value of	
when composed	any of the materials or goods	
in part of india-rubber	dutiable under this paragraph	
	shall pay not less than the	
	rate of duty imposed upon	

PARAGRAPH 390—Continued.

Act of 1897—Continued.	*Paragraph as amended or reconstructed*—Con.	*Remarks*—Continued.
shall be subject to a duty of sixty per centum ad valorem.	such materials or goods herein: *provided further*, That tamboured or appliquéed articles or fabrics shall pay not less than the rate of duty to which they would be subject if not so tamboured or appliquéed.	

PARAGRAPH 391.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
All manufactures of silk, or of which silk is the component material of chief value, including such as have india-rubber as a component material, not especially provided for in this Act and		Jacquard goods provided for under paragraph 387, specific duties, with 50 per cent saving clause.

all Jacquard figured goods
in the piece,
made on looms, of which
silk is the component material
of chief value,
dyed in the yarn, and
containing two or more colors
in the filling,
fifty per centum ad valorem:
Provided,
That all manufactures,
of which
wool is a component material,
shall be classified and
assessed for duty
as manufactures of wool.

Provided,

That all manufactures which would otherwise be dutiable under Schedule L of this Act shall, if containing wool as a component material be classified and dutiable under the appropriate provision of Schedule K of this Act.

Phraseology as recommended in Notes on Tariff Revision, pages 517, 518.

PARAGRAPH 392.

Act of 1897.	*Paragraph as amended or reconstructed.*	*Remarks.*
In ascertaining the weight of silk under the provisions of this schedule, the weight shall be taken in the condition in which found in the goods, without deduction therefrom for any dye, coloring matter, or other foreign substance or material.	In ascertaining the weight of silk under the provisions of this schedule, the weight shall be taken in the condition in which found in the goods, without deduction therefrom for any dye, coloring matter, or other foreign substance or material:	No change.
	In ascertaining the number of single warp threads to the inch under the provisions of this schedule, double warp threads shall be counted as two single threads, triple warp threads	See paragraph 387.

If the recommendations in Notes on Tariff Revision, pages 520 and 521, in relation to artificial silk are enacted the words "But woven fabrics of artificial or imitation silk shall pay a duty of —— per centum ad valorem," should be stricken out. It is a very dangerous provision and would lead to confusion. Such goods should pay the same duty as real silks.

as three single warp threads,

and so on.

We further recommend that all articles made of artificial silk be so labeled whether the same are imported or made here.

F. W. CHENEY,
For Silk Association of the United States.

SILK AND SILK MANUFACTURE.

CHENEY BROTHERS, OF SOUTH MANCHESTER, CONN., SUBMIT A SHORT DESCRIPTION OF SILK AND SILK MAKING.

SOUTH MANCHESTER, CONN., *January 26, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The raising and manufacture of silk are very ancient arts, said to have first originated in China. In 2650 B. C. the Empress Si-ling-Chi is said to have invented the industry and was placed among the Chinese divinities as "Sien-Thsan;" that is, "The first promoter of silk industry."

From thence the arts are said to have found their way through India and Persia to Europe, arriving there about 550 A. D., though they do not seem to have become well established in Europe before the twelfth century. Mezerin in his chronicles says:

> Silk became so common that in the year 1347 as many as a thousand citizens of Genoa appeared clothed in silk in a public procession.

Our ancestors were in this country only a short time before they began to attempt to plant the industry in America. In 1624, we find in the colony of Virginia, numbers of skilled men imported from France to start the raising of silkworms. In the year 1649 there was published in London a pamphlet called "A Perfect Description of Virginia," in which it said:

> It surely would be better to grow silk here where mulberry trees are so plenty than to fetch it as we do from Persia and China, with great charge and expense and hazard, thereby enriching heathen and Mahumetans.

Connecticut was very early in the field, and in 1747 Governor Law appeared in silk coat and stockings, the silk for which is said to have been raised on his own place. From that time to the present day there have been countless efforts to start the raising of silk in this country, sometimes by the aid of government bounties, sometimes without.

They have extended from Maine to Florida, to California, and all have failed from various reasons, chiefly on account of the cost of labor, which in Europe is paid from 8 to 25 cents per day, while in Asia as low even as 2 cents per day.

Between the years 1837 and 1840 there was the wildest of speculation in mulberry trees throughout the country. Just previous to this time of speculation the Cheney Brothers first became interested in the raising of silkworms and later in the sale of mulberry trees. Both failed, but in 1838, one of them started a small plant to make sewing silk at South Manchester, Conn., in which he was afterwards joined by his brothers. This was the beginning of the first really successful silk factory in this country; a business which has grown until to-day the firm employs 3,600 operatives.

The raising of silk in this country has been a failure, but the manufacture has increased with great rapidity during the years since 1850, thanks to the tariff, without which it could not exist. Of recent years, competition in the United States has become very close and fierce.

In the year 1902, Chabriéres, Morel & Co., of Lyon, published the following estimates of the world's production and consumption of raw silk:

[Kilo—2.2 pounds.]

	Production.	Consumption.		Production.	Consumption.
Europe:	*Kilos.*	*Kilos.*	Asia:	*Kilos.*	*Kilos.*
France	700,000	4,000,000	Brulitia	400,000	50,000
Italy	4,412,000	1,000,000	Syria	450,000	100,000
Switzerland	50,000	1,550,000	Persia	330,000	165,000
Spain	82,000	200,000	Turkestan	820,000	700,000
Austria	204,000	725,000	China	11,280,000	6,435,000
Hungary	115,000	.....	Canton	4,000,000	2,000,000
Russia and Caucasus	400,000	1,460,000	Japan	7,300,000	3,000,000
Bulgaria, Servia, Roumania	88,000	.....	India	1,200,000	1,400,000
Greece and Crete	60,000	15,000	Tonquin and Annam	1,000,000	900,000
Salonica, Adrianople	200,000	.....	Africa:		
Germany	.....	2,800,000	Egypt	.....	180,000
England	.....	800,000	Tripoli and Morocco	.....	100,000
America:			Algeria and Tunis	.....	75,000
United States	.....	4,900,000	Other countries	.....	596,000
			Total	33,091,000	33,091,000

From this it will be seen that China, Japan, and Italy are the greatest producers of raw silk, in the order named, and that China, United States, France, Japan, and Germany are the great manufacturers or consumers of raw silk, also in the order named, or the United States is now the second silk manufacturing country in the world, and is greater even than France.

For the year 1904, the imports of raw silk into this country reached 16,037,411 pounds, valued at $55,373,440. The imports of manufactured silk were $31,030,522, showing that by far the largest part of the manufactured silk used in the United States was made here. The value of the raw silks imported into the United States in 1904, when manufactured, would be considerably over $100,000,000.

The Silk Association of America estimates in the United States for the year 1904.

Power looms on broad goods	49,000
Power looms on ribbons, etc	9,000
Throwing spindles	1,300,000
Other spindles	1,150,000
Value of output finished goods	$116,500,000

It is estimated that 4,000 looms have been added during the year 1905.

The States most largely engaged in the manufacture are New Jersey, Pennsylvania, New York, and Connecticut, but there are factories in many other parts of the country. In recent years a number have been started in the Southern States.

Silk is the product of cocoons made by the silkworm, which is found in the countries enumerated in the list of silk producers given, the food of which silkworms is the leaves of the mulberry tree, though there are certain coarse wild silks, such as tussahs, found in China, Korea, Japan, and India, the worms producing which are said to live on the leaves of certain species of oak.

The color of the cocoons varies greatly. Most of the Europeans are bright yellow, though some are white. The eastern cocoons on

the other hand are mostly white, while a very few are yellow. The wild silks are for the most part ecru color, though some are pale green. This color, except in the wild silks, is derived from the gum secreted by the worm, with which the fibers are stuck together. It comprises from 15 to 30 per cent of the weight and is removed by boiling in soap and water before the silk is dyed. All silks except the wild silks, after the gum is removed, are from white to cream in color. The tussahs or wild silks remain an ecru color.

The greatest care has to be exercised throughout in the care of the moths, eggs, worms, and cocoons, such being the succession of changes. That is, the moth lays eggs which are collected and kept cool till the proper season for incubation, when they are kept warm during the time occupied in hatching, sometimes about the person of the raiser. After a time these eggs hatch out worms, little tiny things hardly bigger than a pin head. After the worms are hatched, they require constant care and feeding with chopped mulberry leaves till they reach maturity, about 3 inches in length, and spin their cocoons from a fiber and gum which they secrete. When the cocoons are spun, the worms become chrysalides inside of them. The cocoons are then collected and the chrysalides killed, generally by heat, before they can again become moths.

The cocoons are then sent to the reelers or filatures. A number of cocoons, greater or less, according to the size of thread desired, are placed in a basin of hot water, which softens the gum. After the outside fibers are removed, so that the ends run free, just as you would unwind a thread from a ball, the ends are collected together through a guide and wound up on a reel. As the silk cools and dries, the gum hardens, sticking the fibers from the different cocoons together in one smooth thread varying in size according to the number of cocoons used. The finest sizes reeled are but little coarser than a spider web. An 8 to 10 denier silk runs 491,000 yards per pound, or a pound would stretch 297 miles. It is seldom reeled coarser than 28 to 30 denier, which runs about 150,000 yards per pound. The silk in this state is known as raw or reeled silk; practically none is produced in the United States. The size is denoted by the denier; the hank or skein is 400 French ells (476 meters—520 yards); 233⅓ deniers make 1 ounce avoirdupois. The number of deniers that one such hank or skein weighs is the count of the yarn. In the English system, but little used, the number is denoted by the drams per 1,000 yards.

From this point, raw silk, the manufacture in the United States begins. We import our raw silk chiefly from Italy, China, and Japan. It is handled here first by the throwster, who winds it from the skein and makes various kinds of thread for different purposes.

Raw silk wound on spools in a single thread and called singles is often used to make warps (that is, the thread running lengthwise of a piece of cloth) for piece-dyed goods or cloth which is woven with the gum in the silk and afterwards boiled out and dyed. Singles are also sometimes used for filling (that is, the cross threads) in very thin fabrics.

Organzine is usually used for the warps of yarn-dyed goods (that is, goods the threads of which are dyed before weaving). To make organzine the raw silk is wound, then twisted in the singles, two, three or more threads put together, twisted in the reverse direction, then reeled into skeins for dyeing.

Tram is used for filing of either yarn or piece-dyed goods, also, sometimes for the warps of piece-dyed goods. To make tram the raw silk is wound; two, three or more threads are put together and twisted, generally rather slack twist.

Crepe yarn is used in making crepe, in chiffon and for other uses. It is very hard twisted thread, generally tram, from 40 to 80 turns per inch.

Floss silk is not used for weaving. A very slack twisted tram, generally composed of a large number of threads of singles.

Embroidery silk is made by winding the raw silk, putting a large number of ends together, giving them a slack twist, doubling and twisting in the reverse direction with a slack twist.

Sewing silk is made by winding and doubling the raw, twisting into tram, hard twisted, doubling, and twisting in the reverse direction, drawing under tension at the same time it is twisted. Machine twist is similar, but 3-ply.

There is another class of threads made from silk other than those made from raw or reeled silk, namely, those produced from waste silk by spinning and known as spun silks. Waste silks are the pierced cocoon, that is, those from which the moth has come out by making a hole and breaking the fibers in one end of the cocoon; also the waste made in the filatures in producing raw or reeled silk, chiefly the outside fiber of the cocoon and the inside next the chrysalis and the waste made in manufacture.

Spun silks are made by several manufacturers in the United States, Cheney Brothers being the largest producers. The waste silk is ungummed; that is, the gum is removed from the fibers by boiling with soap, by maceration or rotting, or by chemical reagents.

After the gum is removed from the cocoons and other waste silk they are opened and combed, most of the chrysalis shell being removed. The remainder, with other foreign matter, is picked out by hand from the combed silk, which is then lapped, put through a number of drawing frames to get the fibers even, on the roving frames, where it first takes the form of thread, then on the spinning frames, where it is twisted. If it is to be used as singles, the manufacture ends here. If two or three ply yarns, the singles are doubled, twisted again, singed by running through gas flame, cleaned by friction, controlled; that is, the knots and lumps are taken out, and then reeled into skeins for dyeing or put on spools.

There are two methods in general use for numbering spun silk. In the French system, the number is based on the singles, by the meters per kilogram; two and three cord yarns have 1–2, 1–3, etc., the length the numbers indicate. Thus: No. 100 singles has 100,000 meters per kilogram; No. 2–100 has 50,000 meters per kilogram; No. 3–100 has 33,333 meters per kilogram.

The other and more generally used system in this country is the English system. The hank is 840 yards and the number of hanks in 1 pound avoirdupois is the count of the yarn. It is based on the finished yarn, and singles, two and three-cord yarns of the same number all have the same yards per pound. Thus: No. 50 singles has 42,000 yards per pound; No. 50–2 has 42,000 yards per pound; No. 50–3 has 42,000 yards per pound.

Generally speaking, there are two large classes into which silk goods may be divided, those in which the threads are colored before

weaving and called yarn dyed goods, and those dyed or printed after weaving and called piece dyed or printed goods. In dyeing yarns, the silk is first ungummed and cleaned by boiling in soap and water, then washed in cold water. If the thread is to be weighted, as is very frequently done, tin salts, iron, or other heavy material is deposited on the fiber. If carried far, this is very injurious, making the silk tender and weak. Sometimes there is more weighting than silk. Yarns are usually dyed in hot liquors, aniline colors being the ones in most common use to-day, though other dyes are used for special purposes. Some yarns are dyed in the gum, and some, called suples, with a part of the gum left in. After dyeing, they are washed in cold water, dried, and wound on spools.

The threads that run lengthwise in cloth are called warp. The warp is usually made by placing a large number of bobbins on a rack or creel and running the threads from this on a reel, winding off as many yards as required for the length of the warp; this is called a section. Enough sections are put on the reel to produce the desired number of ends or threads in the warp. The whole number of threads is then wound from the reel to a roll or loom beam.

The threads or ends of the warp are next drawn through the harness and reed. The harness is made up of a number of shafts or leaves; each shaft or leaf is a series of cords or wires with a loop or eye in the center, which are strung between two pieces of wood or a frame. A thread from the warp is drawn through each eye by means of a small hook, beginning with the first thread of the warp, through the first eye on the first shaft of the harness, the second thread through the first eye on the second shaft, the third through the first eye on the third shaft, and so on through the harness. When one thread has been drawn on each shaft, the next thread is drawn through the second eye on the first shaft and so through the harness again. This is called a straight draft; for special work other drafts are at times used. The number of shafts in the harness vary according to the character of the weave to be made, from 2 to 30 in number. In the case of harness for making brocades each eye is on an independent cord.

Next the warp threads are entered or drawn through the reed or comb—which is similar to an ordinary comb but closed top and bottom—one, two, three, or more threads in one dent or space between two teeth of the reed.

The warp with harness and reed is placed in proper position in the loom, the warp beam at the back next the harness, then the reed placed on the lathe or batten, and then the cloth, which is rolled up on another beam. When weaving is commenced, a certain number of the shafts of the harness are raised up, thereby lifting some of the threads of the warp above the others. Next the shuttle is thrown through the space between them. The shuttle contains a bobbin or quill of thread, which is unwound as it passes through, supplying the cross threads or filling for the cloth. Then the reed is brought forward, pushing the filling into its proper place. The process is repeated, different shafts of harness being lifted at such time as to produce the desired weave. For instance, if a plain weave is desired, every other shaft is lifted, which in turn lifts every other thread; the next time the remaining shafts are lifted, while those lifted on the first pick stay down, and so on. An almost endless

variety of weaves may be produced in this way by the use of shafts, and almost all plain fabrics, such as satins, twills, pongees, taffetas, armures, crepes, peau de soies and foulards, also a great variety of stripes and small figures are so woven. At the present time practically all figured or brocaded goods are woven by the use of the Jacquard machine, invented by Joseph Marie Jacquard, of Lyons, France, about the year 1800. In this machine each thread of the warp passes through an eye which is attached to a cord, in its turn attached to a hook. These hooks are controlled by paper cards with holes punched in them, which either push the hooks back, or if holes are punched, allow them to be lifted by means of blades, which rise and fall between the hooks. By the use of such machines very large patterns with great variety of weaves may be produced.

Ribbons are woven several pieces in one loom, with a separate shuttle for each piece, which is carried through the shed or warp by a rack and pinion, instead of being thrown through as in broad goods; otherwise the weaving is the same.

Velvets and other pile fabrics are woven in two pieces, one over the other, with the pile threads woven back and forth between them. A knife travels between the two pieces, cutting the pile threads so as to leave the ends standing up straight. Velvets used to be woven over wires and cut by hand, but this method is practically obsolete.

If the goods are woven with the gum still in the silk, it must be taken out afterwards and the goods either dyed in the piece or prepared for printing.

The most primitive method of printing is by the use of stencils. It is the method employed by the Japanese and Chinese. Next came block printing, which is still extensively employed in Europe. The pattern is raised in felt on wooden blocks, the color taken up from pads, one block for each color. The results are good, but the work is very slow. Most silk goods are to-day machine printed. The design is engraved or etched on copper cylinders, one cylinder for each color; the color, thickened with gum, is supplied by rolls running against the cylinders and the surplus is scraped off by a knife blade, leaving only that in the engraving, which is taken up by the cloth. After printing the cloth is steamed to set the colors, and then washed, in order to remove the gum used to thicken the colors for printing.

All silk goods, whether yarn dyed, piece dyed, or printed, are given some kind of finish; sometimes it is no more than is necessary to smooth out the wrinkles. But there are a great many such processes by which goods may be treated. They are run through gas flames to singe off loose fiber, over steam cylinders to dry and straighten them, over a great variety of sizing machines to stiffen them with starch or glue, calenders or heavy rolls to smooth and iron them, steam presses of great power to press them out, breaking and rubbing machines to soften them, tentering machines to stretch them to uniform width. There are also moiréing or watering, embossing, and various other machines for special purposes.

One of the worst difficulties with which the manufacturer of piece-dyed and printed silk goods has had to contend has been the ease with which they became spotted with water, and for a number of years many people have tried to prevent this by various processes, as is evidenced by the fact that there are no less than two hundred

such processes patented. None of them have met with much success, as they injured the feel or strength of the goods. Cheney Brothers have recently solved this difficult problem, and are now treating such goods with a process invented in their own works, which prevents the spotting of silks with ordinary rain water. They call such goods shower proof.

After goods are finished they are carefully inspected for imperfections, measured, and wrapped in paper and packed in cases for shipment.

How complicated and numerous are the processes for treating silk goods, may be realized when a piece of goods, piece dyed or printed, is handled its entire length between 50 and 100 times after it comes from the loom; sometimes even more.

The foregoing is the barest kind of a sketch of the silk processes; at the same time it is probable that it is too long to teach to little children, and is intended more for the information of teachers. Those wishing more detailed information, we refer to the library of books on textile manufacture, published by E. A. Posselt, of Philadelphia.

CHENEY BROTHERS,
Silk Manufacturers.

SCHEDULE M.

PULP, PAPERS, AND BOOKS.

SCHEDULE M—PULP, PAPERS AND BOOKS.

PAPER STOCK.

[Paragraph 632.]

F. C. OVERTON, 41 PARK ROW, NEW YORK CITY, WISHES MORE DEFINITE CLASSIFICATION OF STOCK FOR PAPER.

SATURDAY, *November 21, 1908.*

Mr. Chairman and gentlemen of the committee, my object in appearing here is to get a clearer wording in section 632 in reference to paper stock of every description. The present law includes grasses, fibers, rags, cotton, jutes, linen, flax, hemp, and manila, coming in various forms. We want the law to so read that it will designate the various things that are to go into the manufacture. It is all waste material. A part of this is old rags and domestic shoddy or wool, which is only suitable to be used in the cheap paper—the roofing paper. And yet, having some small percentage of wool, it is liable to come under a duty.

The CHAIRMAN. The committee has had its attention given to that, and we will give it careful attention.

Mr. OVERTON. There is another section to which I want you to give attention, and that relates to gunny bagging.

Mr. CLARK. Whom do you represent?

Mr. OVERTON. I represent the New York Paper Stock Dealers' Association, also quite a number of mills.

Mr. CLARK. Are you a manufacturer or a dealer?

Mr. OVERTON. We are dealers. We sell to the paper mills. I am arguing for the raw stock, and I want just what the law apparently gives us.

Mr. CLARK. What do you care, if you are not engaged in the manufacture of paper?

Mr. OVERTON. I am presumed to bring in this class of goods free, and yet an inspector of the United States might say that it is subject to duty. If it is going to be subject to duty, I want to know it, because if it is liable to duty I am liable to lose money.

Mr. CLARK. Where do you get most of your stock?

Mr. OVERTON. From the Continent; also from England, France, and Germany.

Mr. CLARK. Do you have to pay any duty?

Mr. OVERTON. The larger part of the business we do is in waste for paper making, which is supposed to be free.

Mr. CLARK. Are you simply handling waste?

Mr. OVERTON. Yes, sir.

Mr. CLARK. To whom do you sell—to the paper trust?

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Mr. OVERTON. Well, to whom do you refer?
Mr. CLARK. The International Paper Company.
Mr. OVERTON. No; we do not sell anything to the paper trust.
Mr. CLARK. You have nothing in the world to do with the paper trust?
Mr. OVERTON. Nothing in the world.

BRIEF SUBMITTED BY FRANK C. OVERTON FOR THE NEW YORK PAPER STOCK DEALERS' ASSOCIATION.

WASHINGTON, D. C.,
November 21, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The importers and paper mills handling paper stock are satisfied with what they believe to be the spirit or intention of the law as it now stands, but experience has demonstrated that owing to its wording, unnecessary hardship and expense have been entailed both upon the importer and the Government, and indirectly upon the paper mills.

The clause "fit *only* to be converted into paper" causes most of the trouble, and a few examples will illustrate the nature of the trouble with which importer and appraiser have constantly to contend.

Paper stock consists, almost without exception, of waste material of some character, whether paper, rags, cotton, linen, jute, hemp, flax, or manila, and may come in the form of new clippings from the fabrics made of the various fibers or old pieces of same, or may come in the form of threads, strings, twines, or ropes, or in the form of waste of various qualities, such as card waste, rove waste, washed flax waste, etc.

The quality is so varied that although by far the largest percentage goes into the manufacture of paper, a certain small percentage may find its way into some other use as a raw material, or the appraiser may think that it could be put to some other use, and as the law specifies that the material must be "fit *only* to be converted into paper" he assesses duty at 10 per cent ad valorem under section 463, "waste not specially provided for in this act, 10 per cent ad valorem." It has frequently been the case that an appraiser at one port has passed goods free, while exactly the same grade at another port was assessed 10 per cent.

Contracts with paper mills using certain grades of flax-card waste and thread waste have been made with the clause, "duty, if any, to be paid by buyer," inserted, as it was impossible to tell what attitude the appraiser might take, and as an assessment of a 10 per cent duty would frequently more than offset the profit, and as duties of $20 per ton have been assessed, the importer was unwilling to take the risk. Flax waste should be distinctly defined so that the appraiser has no discretionary power to impose duty applicable to tow of flax or "waste not otherwise provided for."

A low grade of colored jute waste, known as "colored jute caddis," and sold for about $12 per ton to a mill making roofing paper, has been assessed at 10 per cent on the ground that the small sample

brought to the appraiser led him to believe it might be used to pack journal boxes, although wholly unsuited for the purpose on account of dirt and grit.

Old shoddy, rags, and worn-out garments, or what is known in the paper-stock trade as "satinet garments," composed of a mixture of cotton and wool or shoddy, and used by manufacturers of roofing paper, have usually been admitted free, yet in one or two cases have been assessed at 10 cents per pound, although the grade was too low to be worked up into shoddy, and the stock could be used only to be converted into paper, and the domestic collection is sold regularly for that purpose, either packed separately or mixed indiscriminately with old cotton rags.

Old gunny bagging has recently been classified into three grades by the Board of Appraisers, as follows:

Assorted large pieces.
Unassorted, or original gunny bagging.
Scrap gunny, or small pieces, from which the large pieces have been assorted.

The first two grades, assorted large pieces and original gunny. have been assessed 10 per cent ad valorem under section 463, "waste not otherwise provided for;" and the last grade, scrap gunny, has been passed free under section 648, "rags not otherwise specially provided for in this act."

A few years ago gunny bagging always came in free as fit only to be converted into paper. The question of paying duty on same first came up when it was found that a very small portion was broken up, or shoddied, for the purpose of stuffing horse collars, cheap mattresses, etc.

Some time later it became the custom with certain packers to assort out the large pieces and ship them to America to be used as patches, tops, or sides, in rebaling cotton.

The Government then assessed duty at 10 per cent ad valorem under section 463 on all old gunny bagging, irrespective of whether it was assorted, original, or scrap, and this custom was adhered to for several years, although the paper mills were still using a large percentage of it, but the oakum manufacturers were also using some to be manufactured into oakum, thus paying duty on raw stock and manufacturing it into a finished product which is free of duty.

Old gunny bagging has also been used in this country as a raw product by a manufacturing concern making gunny bagging, the old stock being shoddied and used in connection with raw jute, which is also free.

All of these different rulings have been under the present tariff law or previous laws whose wording of the section pertaining to paper stock was, in effect, the same as the present law.

Although the paper-stock importers cheerfully admit that the Board of Appraisers have given the cases which have come before them careful, intelligent, and impartial consideration, yet the very wording of the section has made it absolutely impossible for them to give uniform decision, not because the goods in question varied in character or quality, but because the law specifies that the material must be fit *only* to be converted into paper, and whenever an appraiser had evidence or believed that the material could be used for anything else than paper making (and this happens frequently) duty would be assessed.

If the Government sustained their claim, and they sometimes showed uses of which the importer had never heard, the importer would make a loss not figured on in the cost of the goods, and if the importer won he received a refund, half of which went to his attorney for handling the case. Such uncertainties necessarily curtail business and make it difficult to figure cost, owing to unknown quantity of duty.

We respectfully but strongly urge that the wording of section 632 be revised so that it is definite and unequivocal, and that, being raw stock, the question of whether or not it is dutiable be determined by the material itself rather than the use to which it is or may be put.

A possible exception to this principle might be made with reference to a definite grade, such as "old satinet garments," above mentioned, and which contain a small percentage of wool or shoddy, by stipulating in a separate section that it must be converted into paper.

Again referring to old gunny bagging, it is hoped that Congress may not feel that it is essential, for the purpose of protection, to assess duty on any of the three grades before mentioned and admit all free of duty. If, however, duty is to be charged on any of the grades of gunny, we respectfully suggest that the duty be made specific rather than ad valorem, as is the custom at present.

The reason for requesting a specific duty is that old gunny bagging frequently follows the market on jute butts, which are free, and when a short crop of jute butts causes manufacturers to supplement the supply with old gunny bagging a wider market and correspondingly wider range of prices is apt to occur, frequently increased by speculative interests in no way connected with the paper trade, and it is most difficult to determine the correct value for duty purposes, so that in addition to the duty, fines and penalties are imposed, owing to difference of opinion between appraiser and importer as to the market value at time of shipment. Original, unassorted gunny to-day is worth approximately $13 per ton, and within the past three years it has been as high as $45 per ton. Instances have occurred where importers have contracted for the purchase abroad of a quantity of old gunny bagging at a low price, and not wishing to speculate have simultaneously sold same in this country on a small profit, figuring duty at 10 per cent on the cost, with the result that a rapidly rising market and correspondingly higher valuations upon which duty must be paid have resulted not only in loss of profit but a substantial loss in addition, even though furnisher and consumer properly lived up to the terms of their contract. We do not think duty should be assessed on any gunny, because, in the first place, it all originates from American cotton bales shipped abroad, and has consequently either been manufactured in this country or else paid a duty of six-tenths cent per pound. Furthermore, it is used exclusively as a raw product for manufacture, and even the assorted sides for baling must be reassorted, mended, sewed together, and put in rolls before being ready for the market, so that all the duty which is paid by the importer must eventually be paid by the manufacturer who uses the goods as raw material.

In place of section 632, which is as follows:

Paper stock, crude, of every description, including all grasses, fibers, rags (other than wool), waste, including jute waste, shavings, clippings, old paper, rope ends, waste rope, and waste bagging, including old gunny cloth and old gunny bags, fit only to be converted into paper—

We recommend the following:

Paper stock, crude, of every description, including all grasses, fibers, rags (other than wool), waste, including jute waste, flax waste, flax-thread waste, hemp waste, linen-thread waste, shavings, clippings, old paper, rope ends, waste rope, and waste bagging, including old second-hand gunny bagging, not advanced in manufacture, to be used as raw material, free.

This, in our opinion, would cover all grades of paper stock, excepting old satinet garments and rags containing a small percentage of wool or shoddy, and suitable only for paper making, and this should be provided for in a separate section, and to cover same we urge the following section:

Rags or old garments composed of a mixture of cotton and wool, or cotton and shoddy, or cotton and wool and shoddy, and suitable for, and to be used for, the manufacture of paper, and for no other purpose.

The object of this brief is solely to get the clearest possible wording of the section relating to paper stock in order to avoid conflicting rulings in the future, without changing what we believe to be the intent of the existing law.

Respectfully submitted.

NEW YORK PAPER STOCK DEALERS' ASSOCIATION,
By FRANK C. OVERTON, *41 Park Row, New York*,
A. SALOMON, *140 Nassau street, New York*,
HENRY ATTERBURY, *38 Park Row, New York*,
Committee.

EXHIBIT A.

BOSTON, *November 18, 1908.*

Messrs. CASTLE, GOTTHEIL & OVERTON,
New York, N. Y.

GENTLEMEN: In reply to your communication of yesterday I will say:

Owing to the indefiniteness of section 632 of the tariff act, we have for ten years been subjected to a series of annoyances which are a disgrace to any well-ordered government. There has been no uniform practice of custom-house officials in levying duties on paper stock. Ten years ago, after a certain grade of flax waste had been passed as free for a dozen years, there was a sudden hold up, and duties of $20 per ton were demanded on stock which only cost $25 per ton, delivered at one of our mills, and the authorities demanded this rate on six carloads which had been entered, examined, passed as free, and manufactured into board. We protested and refused to pay, but after five or six years the Government sued us and recovered the duty, and then we took the case before the General Appraisers and they decided that the stock was not dutiable and the duties were refunded; but it cost us $1,200 for expenses.

I can point to more than a score of cases where duties have been extorted from importers and refunded later after a loss of interest and legal expense had been incurred.

As "tow of flax" is dutiable at $20 per ton, there should be a definition of the distinction between tow of flax and flax waste.

The words "fit only to be converted into paper" are worse still, as every paper stock is fit for something else, if only for kindling fire or bedding horses. The law was doubtless intended to have all crude paper stock free, and it should be so expressed that if some one uses a few bales for some other purpose, it should not subject the whole class to duty.

While the present practice at Boston is more uniform than formerly, the difficulties I have mentioned still exist and should be remedied.

Yours, very truly,

NATIONAL FIBER BOARD COMPANY,
By STEPHEN MOORE, *Treasurer.*

NEW YORK, *November 20, 1908.*

Messrs. CASTLE, GOTTHEIL & OVERTON,
No. 41 Park Row, New York City.

GENTLEMEN: Referring to the hearing of the Ways and Means Committee on paper stock, we beg to advise you that in our mills we consume approximately 25,000 tons per year of rag stock, and find it necessary to secure a portion of this from a foreign market.

Referring to the tariff act under "Importations of rags," section 632, as the matter now stands there is a difference of opinion among appraisers as to whether old satinet garments, etc., should be dutiable at 10 cents a pound or free as paper stock. Their value is approximately the same as dark rags for roofing-paper use, and for all intents and purposes as rags covered by section 632, but if the assessment of same be entirely at the discretion of the appraiser, and a possible duty of 10 cents per pound be assessed, there is difficulty in getting importers to secure this stock for us.

We would urge that a clause be made applying to this grade of stock, stating that old satinet garments or rags composed of a mixture of cotton and shoddy suitable only for paper stock, and to be used only to be converted into paper, be admitted free of duty.

In view of the fact that it is necessary to supplement our stock by the purchase of foreign rags, we think this uncertainty as to the interpretation of the present tariff should be definitely settled, and we trust that you will exert every effort in helping secure the modification above referred to.

Yours, truly,

BARRETT MANUFACTURING COMPANY.
W. A. FORMAN,
Manager Manufacturing Department.

LATROBE, PA., *November 18, 1908.*

Messrs. CASTLE, GOTTHEIL & OVERTON,
New York.

GENTLEMEN: We understand you people are going before the Ways and Means Committee on the tariff question. Our views are simply this: In the first place, we do not think there are enough domestic

rags gathered in the United States to supply the demand of the paper makers, and therefore it is necessary that we should go abroad for rags.

Now take, for instance, rags bought in the last two years and ten months. We used in 1906 12,513 tons, at an average cost at the mill of $19.83 per ton; about 13 per cent of this was foreign stock. In 1907 we used 12,988 tons, at a cost of $22.24 per ton; about 10 per cent of this was foreign stock. And in the last ten months of 1908 we have used 7,956 tons, at an average cost of $15.15 per ton; about 5 per cent of this was foreign stock.

I think it is perfectly absurd to think of paper makers paying 10 cents per pound for the wool these foreign rags contain, or $200 per ton. There ought to be some way for the paper makers to get all the rags they want free of duty. When you take it on an average the year around, the stock does not cost them a cent a pound.

Of course the Government must have some means of knowing these rags go into paper, and not into shoddy. Now, any reliable firm will be willing to give a bond that all the foreign rags they buy would be put into paper.

The object of the roofing mills of the country is to sell roofing paper as low as it is possible to manufacture it, in order to shut out competition of other materials for roofing.

We would like this committee to make a strong plea to the Ways and Means Committee that in taking this duty off the woolen rags suitable for making paper does not interfere in any way whatever with the growers of wool in this country; but when woolen rags are sold in this country to shoddy mills, then it does come in competition. Taking the duty off the woolen rags, as far as paper making is concerned, benefits all parties and gives the American people a cheaper roofing.

Yours, respectfully,

PETERS PAPER CO.,
JAMES PETERS, *President.*

YORK, PA., *November 18, 1908.*

MESSRS. CASTLE, GOTTHEIL & OVERTON,
New York, N. Y.
(Attention Mr. Frank C. Overton.)

GENTLEMEN: We have letter from Mr. W. A. Forman, of the Barrett Manufacturing Company, New York, that you expect to send a representative to Washington to meeting of Ways and Means Committee on Saturday, 21st instant, and we hope that you will use your best endeavors with the committee to admit foreign satinets without duty.

As manufacturers of roofing paper, we can use large quantities of this material if admitted without duty, but as the value of this stock is so low we would be unable to use it should any duty whatever be put on its importation.

Yours, very truly, YORK FELT AND PAPER COMPANY.
By W. D. BALM.

PHILADELPHIA, *November 18, 1908.*

MESSRS. CASTLE, GOTTHEIL & OVERTON,
New York, N. Y.

GENTLEMEN: With reference to the hearing before the Ways and Means Committee on paper stock, would say we are manufacturers of roofing paper and consequently large consumers of foreign rags, approximately 8,000 to 10,000 tons per year. We understand that as the matter now stands, rags coming in under section 632, the question as to whether they are dutiable or not is discretionary with the appraisers, the difference of opinion of the appraisers making the importers very indifferent in regard to bringing the stock out.

We would suggest, in view of the above, that the rags containing a mixture of cotton and shoddy or wool, fit only for paper making, should be put on the free list absolutely.

Yours, very truly,

JOHN LANG PAPER CO.,
E. H. MORRIS, *President.*

NEW YORK, *November 20, 1908.*

FRANK OVERTON, Esq.,
CASTLE, GOTTHEIL & OVERTON,
New York City.

DEAR SIR: It will interest you to know of the following case that we are experiencing with an import of flax waste at the port of Boston. We bought a little while ago a shipment of 15 tons flax waste from Europe, and shipped it to Boston with the intention of selling it to one of our paper mills which offered us 90 cents delivered, with 10 cents freight for this shipment. This mill makes box and leather board papers. Another mill offered us 95 cents for it. The stock costs us £4 per ton, equal to about 90 cents per 100 pounds, and, of course, there would have been no profit in this transaction. Last week we received notice from our custom-house brokers that the value of the entry of £4 per ton was advanced by the appraiser to £7 per ton, which is above the seizure point, and it was figured out to us that the final sum that we would have to pay, including the fines, would amount to about $1,200 on a shipment worth $300. We went to Boston to examine the stock and found that a good many bales contained a better grade of flax waste than our purchase sample and contrary to the stock that we expected to get. A good deal, however, in all the bales was only the lower grade, and the stock in the bales is mixed up in such a way that the expense for separating the various qualities would bring the price of the goods to a very high figure, which would be prohibitive of selling it for the ordinary uses which such flax waste is put to. The quality of the shipment being mixed up, it is only fit for making into paper, but the technicalities of the law say if there is a percentage of higher grade, the duty should be assessed on the higher value, but in a practical way this lot of stock could only be used for paper.

If there would be no 10 per cent duty on flax waste, which is only a necessary by-product of the raw material, and which latter is free of duty under the tariff law, these burdensome matters would be done away with, and as the revenue derived from these importations is a

very small sum, and as it is not a protection for any domestic stock nor for the manufacturers, but only a burden on him and the consumer, it would be most desirable for everybody concerned in the trade to have this duty removed, as nobody can profit thereby, but only gain by such removal of the existing duty which is applied in certain cases.

Very truly, yours, SALOMON BROS. & Co.

PHILADELPHIA, *November 19, 1908.*

Mr. FRANK C. OVERTON,
Chairman Tariff Committee,
New York Paper Stock Dealers' Association,
New York, N. Y.

DEAR SIR: Replying to the communication of Mr. F. H. Chase, dated November 16, 1908, to President J. I. Lenhart, asking to use the name of our association in relation to the changes in the tariff law affecting the importation of paper stock, bagging, fibers, etc., I beg to say the matter was passed favorably upon at the meeting of our association held this evening, so therefore you are at liberty to use the name of this association.

We are pleased to offer your association our cooperation in this matter.

Yours, truly, FREDERICK H. MEYER,
Secretary.

217–231 CLYBOURN STREET,
Milwaukee, Wis., November 23, 1908.

CASTLE GOTTHEIL & OVERTON,
New York City.

GENTLEMEN: With reference to section 632 of the present tariff act, under which importations of rags, etc., for paper making are made.

We are manufacturers of roofing paper and users of rags, wool, papers, cotton waste, and this class of material for the manufacturing of roofing papers.

At the present time there seems to be a great difference of opinion among the appraisers as to whether these goods should be dutiable at 10 cents per pound or free as paper stock.

To all intents and purposes this class of material is of such a grade that we feel it should be covered by section 632.

We would suggest that old satinet garments or rags composed of a mixture of cotton and shoddy and suitable only for paper stock, and to be used only to be converted into paper, should be admitted free.

Yours, truly,

H. W. JOHNS-MANVILLE COMPANY,
WALTER MOODY,
Assistant Manager Milwaukee Factories.

MIDDLETOWN, OHIO, *November 19, 1908.*

MR. FRANK C. OVERTON,
New York City.

DEAR SIR: Your favor of the 17th received, and are pleased to note that you have been appointed to represent the paper stock dealers' association at the Ways and Means Committee on tariff revision.

In reference to having the old section, No. 632, revised, I think it ought to be done by all means, as the way it is worded is very confusing and unsatisfactory, both to the Government and the paper manufacturers, as you are aware it has been one continual strife ever since the present tariff bill was put in force.

We think there is no doubt but what the Government intended to let the old waste material, such as is used for paper manufacturing, come in duty free, and the idea of saying "fit only to be converted into paper" is a grand humbug, as we do not know of any old material but what could be used for some other purpose.

As you know, we are large users of old rope, jute wastes, and bagging, such as burlaps and gunnies, flax waste, threads, etc. We think it has been demonstrated heretofore that most of these articles can be used for something else. For instance, you can take old rope and tear it in pieces and use it in plastering in place of hair. You can also take bagging and tear it up and use it in place of excelsior or for packing purposes, or for stuffing cushions, horse collars, and various other things.

Flax waste we presume could be used for the same purpose, although we have never heard of it being used this way. They could also take any of this material or all together and grind them up with other articles and make fertilizer out of them.

If the matter could not be adjusted any other way, why not have it arranged so that the importers could be put under affidavit when parcels arrive that they have sold the material to a certain paper mill, then let the paper manufacturer also make affidavit and state that they had received the stock, and state that it would not be used for any other purpose but for the manufacture of paper.

If this matter is presented to the committee in the right light, we think you would have no difficulty in getting it adjusted satisfactorily, as we feel the Government is willing and anxious to have old paper-making material come in free of duty; as you are aware they are investigating the matter of preserving our forests, and everything in the line of old material that can be used to make paper helps to decrease the usage of wood.

If there is any way that we can be of service to your committee or the Ways and Means Committee, we would be very glad indeed to render our services if you will let us know what it is.

Yours, truly,

THE WARDLOW-THOMAS PAPER CO.
JAS. LAWRENCE, *Vice-President.*

EAST ST. LOUIS, ILL., *November 19, 1908.*

CASTLE, GOTTHEIL & OVERTON,
41 Park Row, New York.

GENTLEMEN: Referring to the hearing before the Congressional Ways and Means Committee, on paper stock, will say that we think

it a very important matter to take up the matter of satinets imported. The question, which in the past has been left to the discretion of the appraiser, and which has led to such uncertainty on importing these goods, should be settled definitely and in such a way as to permit any old satinets or rags, which are suitable for paper stock only, to come in free under section 632. Any assurance required could be given that the goods would be used only for making paper stock, and a severe penalty could be put on for any other use of the material.

It will surely cripple our line of business to have this continued in the way that it is now.

Hoping you will be successful in showing the committee why this change should be made, we are,

Very truly, yours,

GENERAL ROOFING MFG. CO.,
By GEO. M. BROWN, *President.*

LOCKLAND, OHIO, *November 19, 1908.*

CASTLE, GOTTHEIL & OVERTON,
New York City.

GENTLEMEN: Mr. Forman has forwarded us a copy of your letter to him dated November 17, and we are taking this opportunity of going on record in behalf of this cause, which is only fair and just, and add the weight of our signature to your petition when taking this matter up with the Ways and Means Committee. So much has been said already on this subject that it is difficult to add to it, and every manufacturer of felt paper, as well as all of the importers of paper-mill stock, know how absolutely unfair it is for the Government to take the position of collecting duty on satinets and let the dark cottons come in free, when they are both used for identically the same purpose. Perhaps it might be a good suggestion to state that when putting satinets on the free list every consumer in this country could be required to furnish a bond, guaranteeing not to resell any of this material to woolen or shoddy mills at any price; also to guarantee not to put the rags through any process in which the wool was removed from the cotton fiber, but work it all up at the same time and in the same sheet of paper; also to guarantee to sell every pound of the article manufactured from this raw material at less than 5 cents per pound, which is one-half of the duty now assessed. This might convince the government officials that the mills buying these foreign satinets are not trying to take any unfair advantage or evade a duty that should be imposed. We certainly wish your association success in taking this matter up. It is certainly a good cause, as the collection of rags in this country suitable for the manufacture of felt paper is not increasing in proportion with the demand for and consumption of felt paper, and unless your association or some similar movement by others does bring about the result desired the action of our Government in prohibiting the importation of this grade of rags is surely going to hinder, in fact prevent, the further growth of an industry in this country that gives desirable employment to labor and produces almost exclusively an article that is used as a building material, thereby causing a saving in lumber in substituting for shingles an article manufactured from junk and waste material.

This is a cause that almost all Americans are interested in, and should particularly interest the Ways and Means Committee of the present Congress.

Yours, truly,

THE RICHARDSON PAPER CO.,
J. M. RICHARDSON,
Vice-President.

MINNEAPOLIS, MINN., *November 20, 1908.*

CASTLE, GOTTHEIL & OVERTON,
41 Park Row, New York, N. Y.

GENTLEMEN: We understand that section 632 is coming up for consideration shortly. We use some 40,000 pounds of satinets a day in the manufacture of roofing paper. There has been some question in the minds of the custom-house officials as to whether this grade of stock was dutiable or not. We hope that you can have a special clause inserted to cover this grade of rags. We know it is hard to get importers to attempt to get these rags in on account of this question coming up.

It certainly would be a great relief to the paper mills of this country if such a clause was inserted. These satinets contain such a small percentage of wool that they are only suitable for making paper. And it does not seem right for mills that use this grade of rags to take the chance of a 10-cent duty being assessed against the rags when the rags are worth normally from three-quarters to 1 cent per pound.

We will be glad to be of any further service we can in this matter.

Yours, very truly,

THE NELSON PAPER CO.,
By W. ED. NELSON, *Treasurer.*

HON. JOHN W. WEEKS, M. C., SUBMITS LETTER OF F. W. BIRD & SON, EAST WALPOLE, MASS., RELATIVE TO PAPER STOCK.

EAST WALPOLE, MASS., *December 19, 1908.*

Hon. JOHN W. WEEKS, M. C.,
Washington, D. C.

DEAR SIR: We respectfully call your attention to the indefiniteness of section 632 of the tariff act, which for a number of years has caused us annoyance and expense. This section reads as follows:

Paper stock, crude, of every description, including all grasses, fiber rags, other than wool, waste, including jute rope and waste bagging, including old gunny cloth and old gunny bags, fit only to be converted into paper.

This latter clause, "fit only to be converted into paper," is the cause of most of our troubles. We cite you the following example:

We have imported from France and Belgium, to use in making paper, a grade of flax spinning waste called "cordellettes" (little cords or little strings). In 1903 and 1904 these importations were suddenly assessed a duty of 10 per cent, which was subsequently increased to $20 per ton; all this on stock worth $30 per ton, and be-

cause, as we understand it, some men had used small quantities, not 5 per cent of importations, for some other purpose besides paper making.

We protested, and after some time the case was decided in our favor, but not until the Government had tied up many thousands of dollars belonging to us and we had been put to a legal expense of more than a thousand dollars.

We also use in the making of our roofing large quantities of old satinet garments. These are old, worn-out garments and soft rags composed of cotton and wool or cotton and shoddy. They have usually been admitted free, yet in some cases have been assessed a duty of 10 cents per pound, being classed as woolen rags, although the grade is too low to be worked up into shoddy and the stock could only be used by converting it into paper.

Although the board of appraisers have given cases of this kind their careful and impartial consideration, the wording of this section has made it impossible to give uniform decision, because the law specifies that the material must be fit only to be converted into paper, and whenever the appraisers had evidence or believed the material could be used for anything else beside paper making the duty would be assessed.

We strongly urge that the wording of section 632 be revised, or added to, so that flax waste, paper stocks, and old satinet garments containing a small percentage of wool be admitted free when they are to be used for the manufacture of paper and when the importer is willing to give oath that they are to be used exclusively for that purpose.

This we believe to be the intent of the existing law.

Yours, very truly,

F. W. BIRD & SON.

FRANK C. OVERTON, NEW YORK CITY, FILES SUPPLEMENTAL BRIEF RELATIVE TO PAPER STOCK.

41 PARK ROW, NEW YORK, *January 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: On November 21, 1908, I filed before the Committee on Ways and Means, at Washington, a brief in behalf of the New York Paper Stock Dealers' Association and others affecting Schedule M, paper stock, and recommended a form which I felt would correct the existing evils. Said form, after mentioning various grades of paper stock, stipulated that there should be inserted:

Not advanced in manufacture to be used as raw material.

Upon further consideration it occurred to me that there might be room for various interpretations of the phrase: "Not advanced in manufacture to be used as raw material," and I took the liberty of consulting with Judge Henderson M. Somerville, of the Board of United States General Appraisers, who said that the Board of Ap-

praisers had given this matter careful attention, and had recommended the following:

632. Paper stock, crude, of every description, including all grasses, fibers, rags (other than wool), waste, including jute waste, shavings, clippings, old paper, rope ends, waste rope, flax waste, flax thread waste, hemp waste, and linen thread waste, and waste bagging fit to be converted into paper; also old gunny cloth and old second-hand gunny bagging, whether fit for such purpose or not.

This section would be perfectly satisfactory to the New York paper stock dealers, as the elimination of the word "only" from the expression "fit only to be converted into paper" would in our opinion eliminate most of the misunderstanding which has occurred in the past; and the section referring to old gunny cloth and second-hand gunny bagging would certainly have the effect of saving annoyance to both the Government and importer. We therefore trust that Congress can see its way to adopt the section as proposed by the Board of Appraisers, and the New York Paper Stock Dealers' Association withdraw their suggestion in favor of that of the board.

We still feel, however, that the paragraph mentioned in the brief filed on November 21, as follows: "Rags or old garments composed of a mixture of cotton and wool, or cotton and shoddy, or cotton and wool, or shoddy, and suitable for and to be used for the manufacture of paper, free," is most essential, as it is a grade that can not be incorporated into the other section without a conflict, and while the goods in question have been brought in here along with other old rags for paper stock, there is an element of risk in so doing, and should be eliminated.

If there will be any further public or private hearings in this matter, I would esteem it a favor if I would be advised of the time such hearings will be held.

Respectfully, yours,

FRANK C. OVERTON,
Of CASTLE, GOTTHEIL & OVERTON,
Paper Mill Supplies.

PULP, AND PRINT PAPER.

STATEMENT OF JOHN NORRIS, CHAIRMAN OF THE COMMITTEE ON PAPER, THE AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION, NEW YORK CITY.

SATURDAY, *November 21, 1908.*

Mr. NORRIS. Mr. Chairman, just as an aside, and casually and incidentally and preliminarily, I want to call your attention to the fact that Mr. Marcuse, the gentleman who appears here for a new classification and a higher rate on wrapping papers, was the gentleman whose firm plead guilty, June 19, 1908, in the United States court, as members of the Parks pool on fiber and manila, and his firm was fined $2,000. Instead of that stopping the operations of these manufacturers and paper makers in fixing prices and in regulating output, they are at it again. I submit here a report of the Western Fiber and Manila Association, which, under date of November 5, 1908, has just advanced the price of manilas $3 per ton as

the result of combination. That is merely preliminary to the other proposition. I submit also a report of the previous week of the Paper Trade Journal, giving a statement of a meeting of bookmen to discuss the unsatisfactory condition of the trade.

These gentlemen come here, not on oath, and make statements. I seriously combat the accuracy of any statement they have made to the effect that there are no combinations, no agreements, no arrangements, to restrict production or to fix prices.

I will speak, practically, for all of the newspapers. There has been somewhat of an understanding that I shall open, and that then the representatives of the American Paper and Pulp Association will present their side; and I hope that I may be given an opportunity, not to answer them, but where there are misstatements made, without going over the ground, to call the attention of the committee to them.

The CHAIRMAN. We will cross that bridge when we come to it. I am afraid it will be a good while from now before we get there. [Laughter.]

Mr. NORRIS. All right. In addition to myself, as representing the newspapers, there will be representatives of the four labor unions which are employed by newspapers, and which feel the effect of the increased price of paper.

In submitting the views of the American Newspaper Publishers' Association upon the paper schedule of the tariff, I will attempt to cover the proposition for free pulp and free paper in all its phases, including the deception of your committee and of Congress by the paper makers in 1896, the failure of the paper makers to give to labor any of the benefits of the protective tariff, the organization of paper combinations in restraint of trade, the destruction of our forests by them, and their gigantic speculations in woodlands. Newspapers have been made to bear undue burdens as a result of the advance in 1907 of $12 per ton in the price of paper. Approximately 1,200,000 tons of news-print paper are used in the United States annually, costing consumers in excess of $50,000,000 per annum. As a result of the unjustifiable advance of 1907, one paper, the Baltimore American, was taxed $60,000 per annum. Another paper, the Philadelphia Inquirer, was taxed $156,000 per annum. Preliminarily I call attention to the fact that because of a labor dispute between the International Paper Company and its employees, covering a period of three months, since August 1, 1908, the output of the market was reduced about 105,000 tons. This curtailment of production has been availed of by paper makers generally to mark up the price of news-print paper this week to $55 per ton, New York, or $20 per ton in excess of the price which prevailed when the Ways and Means Committee considered this schedule twelve years ago and $15 per ton in excess of the price which would prevail under normal conditions.

Mr. UNDERWOOD. Mr. Norris, if it will not bother you, will you state before you make your argument, so that we can follow it along the line of your suggestion, what suggestion you make to the committee as to our future action on this proposition? Will you state what you desire us to do?

Mr. NORRIS. Let me explain that in a summary of about twenty minutes' duration I substantially cover all of the ground, including that particular point——

The CHAIRMAN. What Mr. Underwood wants to know is what amendment you suggest to the bill.

Mr. UNDERWOOD. I want to know what suggestion you make.

Mr. NORRIS. Free pulp, free paper, and reciprocity with Canada for free pulp wood, free paper, and free pulp.

The CHAIRMAN. That answers the question.

Mr. HILL. Do you mean to have all paper free, or just news paper.

Mr. NORRIS. News-print paper is the particular matter for which I appear.

Mr. HILL. And that is all for which you make any suggestion?

Mr. NORRIS. That is all for which I make any suggestion; but it is coupled with wrapping paper and other kinds of paper, because these mills which make the wrapping paper, which make manila, are equipped to make news-print paper; and when they come together in pools so as to artificially stimulate their production, there is an inducement for them to keep out of the news-print paper market. I will make special reference to that later.

The CHAIRMAN. I suggest that Mr. Norris go on and read his statement.

Mr. NORRIS. Please note that the publisher—not the laborer, nor the paper maker—is asked to pay this bill for industrial warfare. We will show from its annual reports that the International Paper Company, with all of its antiquated outfit and its five subsidiary companies that sap its earnings, has made an actual profit of $8.79 per ton, or 29 per cent, upon all the paper it has turned out in ten years, and that its cost of production has been $30.52 per ton, or $1.51 per 100 pounds, and that its average price during the ten years which have elapsed since the passage of the Dingley bill has been $43.91 per ton, or $2.19 per 100 pounds delivered, an increase of $11.91 per ton over the price at which paper was sold when the Dingley bill was passed July 24, 1897.

Paper can be made cheaper at Millinocket, St. Croix, and Berlin than in Canada. Labor is paid less here than in Canada, and we hold that the protective principle provided for in the Republican platform does not apply to paper, because of this treatment of labor by paper makers, and because of this cheapness of cost of home production as compared with foreign production. We will show that the Dingley bill increased the duty on ground wood 45 per cent (p. 866) and on news-print paper 46 per cent (p. 1165), and that the outcome of the present policy has been to increase imports of pulp and to decrease the exports of paper. There has been a transformation in the paper situation. Instead of exporting paper, we are importing pulp.

We will show that the import duty on news-print paper has not been productive of revenue and that it has furthered schemes of combination and criminal manipulation of the market. We are prepared to show that because of the import duty of $6 per ton, the price of news-print paper in the United States has for periods been raised to a figure which was $6 per ton above what it would have been under free conditions, and above what it should have been under conditions that assume respect for law. The paper-manufacturing business has been mismanaged, the burden of which mismanagement has fallen upon the publishers. We are embarrassed by the chairman's statement that the Government's figures and studies of the tariff are based on prices quoted by trade papers, which the chairman said on the floor

of the House—referring specially to news-print paper prices—are "as accurate as accurate can be." We are prepared to show the utter worthlessness of such quotations, as well as the difficulty of establishing any fair standard of comparison, in determining the cost of production in the United States and abroad.

The CHAIRMAN. Mr. Norris, did not the chairman give the source of that information?

Mr. NORRIS. Sure——

The CHAIRMAN. Wait a moment. And did not Mr. North state that his source of information was from the trade journals, and did not the chairman state that at the time?

Mr. NORRIS. He did; but he also gave——

The CHAIRMAN. Then be fair, and state the whole thing.

Mr. NORRIS. But did he not also give it the authority of his position, and his office, and was it not stated on the floor of the House——

The CHAIRMAN. What he stated was that it was taken from the trade journals.

Mr. NORRIS. But Mr. Payne also said that these prices were "as accurate as accurate can be." Now, I do not desire to quarrel with the chairman. I simply want to say, as a matter of fact, that the figures were not accurate.

The CHAIRMAN. The chairman was making a speech. The gentleman from Pennsylvania sat at the next seat, and when he commenced to speak on this subject the gentleman from Pennsylvania handed him the letter of Mr. North, which the chairman had never seen before, and the chairman presented that statement to the House; and he stands by what he said in reference to it—that that is the information that he had upon the subject.

Mr. NORRIS. I do not assume——

The CHAIRMAN. And no one was deceived; much less yourself or Mr. Ritter.

Mr. NORRIS. On the contrary. Do I understand that the chairman now says, or now assumes, or now thinks that those figures are as accurate as accurate can be?

The CHAIRMAN. The statement of Mr. North was accurate for what it purported to be. If the trade journals did not get it right, that is another instance of the very small number of cases in which the newspapers of the country make mistakes about statements of fact. [Laughter.]

Mr. NORRIS. But it is also an instance of the basis and character of information upon which Congress legislates without due inquiry as to the source or accuracy of information upon which it acts.

The CHAIRMAN. Congress was not acting at that time. It was simply debating upon a statement; but perhaps you had better go on.

Mr. NORRIS. Yes, sir.

We will point out the menace that hangs over the paper business by reason of the attitude of Canada. The increasing use of water power for electrical purposes as well as the threat of prohibition of the export of wood have tended to stop the building in the United States of new paper mills to meet the increasing consumption (p. 907). We will indicate how every material American interest may be promoted by a reciprocity arrangement with Canada and with Newfoundland, providing for free pulp wood, free pulp, and free paper.

We invoke your scrutiny of State Department records which would enable you to obtain an accurate list of the dates of meetings of American and Canadian manufacturers at the Place Viger Hotel, Montreal, and the names of the participants, for purposes which are obvious; also the membership of a combination of interests that center at Three Rivers, Canada, including the International Paper Company; also calling attention to a contract of 10,000 tons of Canadian news-print paper made at $35 per ton for one year, beginning February 1, 1908, by the Belgo-Canadian Company, of Shawinigan Falls, with S. A. Cook, of Neenah, Wis., president of the Alexandria Pulp and Paper Company, of Indiana, which would have helped to relieve the shortage in the American market, but which was driven out of the country and delivered to Lloyd, of London and elsewhere, by threats of the New York paper men to destroy the trade of the Canadian mill in the event of its delivery in the United States. Summon Mr. Cook and ascertain from him how much he has paid toward a settlement of that transaction which contributed to maintain an artificial price for paper, and to tax every American publisher whose expiring contract was renewed. Also, how the Canadian government made a gift of 400 square miles to the Berlin Mills Company as an inducement for the building of a paper mill at La Tuque, Canada.

We are prepared to show that in 1907, at a time when the demand was large and production was overlapping consumption, that Mr. John A. Davis bought up over 20,000 tons of news-print paper and starved the market.

We will show that in 1907, when its total actual cost of making paper, including labor, had increased only 64 cents per ton, the International Paper Company, without jurisdiction, advanced prices $10 and $12 per ton.

We will show that the International Paper Company is producing 300 tons per day less of news-print paper than was produced by the mills which it consolidated, and that it has either sold, leased, stopped, or diverted to other uses more than 46 of the 111 machines which it originally acquired.

The paper makers lacked in appreciation of their obligations to Congress, because it is fair to assume that an industry which is an object of protection is bound to meet the wants of the consumers. The United States Steel Corporation has recognized this obligation by an expenditure of several hundred million dollars within a few years for new construction, but the International Paper Company, having decreased its daily output and restricted production, has proved itself unworthy of your consideration.

We are prepared to show the methods of high finance which capitalized at excessive figures a collection of antiquated mills located on exhausted water courses tributary to denuded forests. The International Paper Company is capitalized on a basis which is three times that of the cost of the St. Regis plant. It represents $35,000,000 of watered capital which its customers must carry. On a capital of $69,000,000 it does a business of $20,000,000 per annum and requiring nearly three and one-half years to turn over its capital in manufacturing.

We will show you the depletion of our spruce supply and the absolute inability of the United States to provide for the needs of the

paper industries. We will show you the impossibility of meeting this situation by reforestization because of the time required to mature spruce forests, and because of forest fires, and because of taxes on standing timber.

We will show you that the International Paper Company and other beneficiaries of the tariff on pulp and paper have involved themselves in gigantic speculations in woodlands in Canada whereby money that should have been devoted to the expansion and betterment of American mills has been diverted to Canadian woodlands which can not be made available for use by present owners during the next thirty years. We will give details of the acquirement of over 12,000 square miles of tracts in the Province of Quebec alone.

The newspapers represented in the American Newspaper Publishers' Association are divided about equally between the two political parties. They represent many views on many subjects. They are substantially unanimous, however, in asking that the duty on pulp and paper be removed. The canvass made by the Mann committee shows that 715 newspapers replying to its inquiry, 651 favored the removal of tariff and 64 opposed, and that the Republican papers favoring removal outnumbered the Democratic papers which advocated removal.

Unlike all other subjects of tariff taxation, users of news-print paper can not pass along the burden to the consumer. The price of a newspaper, like the price of a postage stamp, is fixed. A publisher can not raise and lower his price when the price of news-print paper advances or falls. Neither is it possible to shift the burden to advertisers because of the methods of the paper makers who make long-time contracts with some newspapers at low prices, and refuse to make the same contracts with other papers. They also make contracts that expire at varying dates. As a result of this overlapping of contracts, it would be rarely, if ever, possible to shift the burden of increased cost to advertisers. In a city where a Hearst paper was paying $37.60 per ton to the International Paper Company under a ten-year contract, do you think that another publication subjected to a $50 per ton charge by the same company, could afford to raise its price or increase its advertising rates without the Hearst cooperation? Could it expect to obtain cooperation under such conditions? The proposition that newspapers increase their price as was urged by the general manager of the International Paper Company (p. 734) would mean this: That every purchaser would pay 1 cent per day additional, or $3 per annum for approximately 20,000,000 copies per day, or $60,000,000 in all. Thus it is proposed that the readers of newspapers should pay a tax of $60,000,000 in order that a group of paper makers might take four or five million dollars from the pockets of the people through the publishers.

Newspapers are entitled to consideration from you upon that score even if you ignore the extraordinary function they perform in disseminating intelliegnce, in promoting knowledge, and in facilitating the work of government. Those citizens are the best citizens who are in complete touch with the work of administration and the furtherance of the newpaper's mission is worthy of your serious effort. An increase in the consumption of paper is due to the increasing intelligence of the people.

According to the best available information, it is calculated that all the paper mills have capacity to turn out about 14,885 tons per day, or 4,546,920 tons per annum, as follows:

	Tons per day.
News	4,200
Book	1,900
Boards	3,300
Wrapping (manila, fiber and straw)	2,850
Writing	1,400
Roofing and sheathing	610
Tissue	290
Hanging	275
Blotting	60
Total	14,885

Seven concerns practically control the output of 71 mills engaged in the manufacture of news-print paper. Their daily capacity may be computed at 4,342 tons per day, as follows:

	Tons per day.
International Paper Company	1,416
Great Northern	450
Berlin Mills	225
W. H. Parsons & Co	170
H. G. Craig & Co., selling agents	500
Western interests formerly associated with General Paper Company	729
8 mills in Michigan and New York	120
Total	3,610
Pacific coast (2 concerns)	280
Mills not primarily devoted to news	301
Scattered in 7 States	365
Total	4,556

In any contest with Canada the publishers who pay for the paper must ultimately bear the burden of that struggle, not the paper makers who have exhausted the domestic supply of pulp wood. These paper makers have gone to Canada where there are from 200,000,000 to 550,000,000 acres of timber, largely spruce, and they have invested many millions in Canadian woodlands. The International Paper Company owns approximately four and one-half million acres, or nearly 7,000 square miles of Canadian and American tracts. The American paper makers are importing free of duty about 1,000,000 cords of pulp wood per annum. I am told that 23 important news-print paper mills in the United States get substantially all of their wood from Canada. The Ontario authorities, to block the scheme of contervailing duty which was incorporated in the Dingley bill, have prohibited the export of pulp wood cut from crown lands, and in that way they have deprived all the western mills of a cheap and ample supply of raw material. In the Province of Quebec, a tax of 65 cents per cord is imposed on all pulp wood cut from crown lands with a rebate of 40 cents if the wood is put into manufactured form in Quebec. Our courts have decided that that rebate arrangement constituted an export tax of 25 cents per cord on wood pulp, and you have therefore imposed a countervailing duty under the provisions of the Dingley law upon all paper manufactured from wood cut on crown lands in the Province of Quebec. The burden of proving that it was not cut from crown lands is thrust upon the importer.

The Canadian paper makers and the Canadian authorities say they are annoyed by the attitude of the American Government. The Canadian paper makers are clamoring for the prohibition of the export of pulp wood from the Province of Quebec, as from the Province of Ontario. They have formally submitted their request to the Dominion government, and the pressure from them upon it is very strong. Serious consequences to American paper makers are imminent. Every American paper maker who testified before the Mann committee agreed that the prohibition of pulp-wood export by Canada would bring disaster to the trade. It would close many mills, and would force the manufacturer into Canada. The president of the American Paper and Pulp Association, David S. Cowles, on September 13, 1907, sent to all editors of American newspapers a circular letter calling attention to the Canadian threats and bewailing the possibilities of what he regarded as confiscation of American investments in Canada in the event of the adoption of the prohibitory programme. That document was printed in the records of the Mann committee, although an officer of the International Paper Company asked that committee to suppress its publication. (P. 2014.) That gentleman, Chester W. Lyman, who is assistant to the president of the International Paper Company, and who is an agent of all the paper makers, took an amazing position in another letter sent on the day of his request for suppression. (P. 2013.) He said there was an adequate supply of wood left in the United States and that there were undeveloped water powers in the United States sufficient for paper making purposes. He made this declaration notwithstanding the annual importation of nearly a million cords of pulp wood from Canada by the paper makers, and the investment of more than $12,000,000 by them in Canadian woodlands. In other communications this representative argued that the paper makers were not primarily responsible for the rapid destruction of our forests; that paper makers took only 3 or 4 per cent of the total slaughter, and that the wicked lumbermen and the folks who started the forest fires were responsible for whatever damage had been done to the country's resources. Therefore, it would be inferred, it was not necessary for the American paper maker to go to Canada for his wood supply, and upon that proposition we have diametrically opposite views from the paper-mill representatives.

The Canadian government is awaiting your action before deciding upon its course. If you attempt to appropriate its pulp wood without some concessions to the manufacturers of that pulp wood, then you invite a trade war. Here, now, you have a distinct menace to an important industry—a menace that would carry serious consequences to the users of paper, causing violent disturbances in paper prices, and a paper famine. You would put a premium upon the destruction of more of our forests with all the baleful climatic conditions that follow such shortsighted methods. The reciprocal relations of the two countries are so extended and complex that the interests which both possess in mutual trade and the necessity imposed upon each side for amiable intercourse should induce everyone to approach this matter in a spirit of fairness and neighborly comity. Are we to tangle our railroad interchanges, our trade of two hundred and fifty millions per annum with that neighbor, in order that we may more quickly slaughter so much of our forests as remain? Are we to start upon a retaliation and industrial warfare to insure another

lease of opportunity for those groups of lawbreakers who have done violence to every sound principle of trade in their efforts to crush competition, to restrict production, and to impose upon the people a monopoly of an article that is essential to the dissemination of knowledge? I am not willing to believe that an American Congress will give heed to any such proposition. On the contrary, I believe that this committee would approve of any plan by which a solution of this situation would be reached. In the recent political campaign in Canada it was announced that the government would refer the proposition for an export duty on pulp wood to a commission for adjustment. Why not utilize the information and studies of your Select Committee on Paper and Pulp which has been digging into this matter for six months and arrange through the State Department for informal conferences? I am confident that, as a result of such action, you will recommend the plan outlined in H. R. 22237, introduced by Mr. Mann upon request, providing for reciprocity with Canada. That bill was prepared in the State Department and was passed upon in the Treasury Department. Its language is that of section 3 of the Dingley bill, with the substitution of pulp and paper for argols, etc. It follows the recommendation of President Roosevelt to Congress, and it adopts the safeguards and precautions suggested by the report of the majority of the Select Committee on Pulp and Paper Investigation, whereby American paper makers will be insured protection from hostile action by Canada in the event of the removal of any duty by you. In short, that Canada will not attempt to impose any export duty on pulp and paper and pulp wood in the event of the abolition of our import duty on pulp and paper.

The CHAIRMAN. Is that the bill introduced by Mr. Mann, of Illinois, by request?

Mr. NORRIS. Yes, sir.

The CHAIRMAN. By request?

Mr. NORRIS. Yes, sir.

The CHAIRMAN. I could draw a good deal better bill than that.

Mr. NORRIS. You will have to reframe the Dingley bill, then, because it is absolutely the language of section 3 of the Dingley bill, which I think you had some part in, and for which you are measureably responsible, certainly as to its phraseology.

The CHAIRMAN. I could make a bill that would insure much more protection against Canada than any provision of that kind.

Mr. NORRIS. But that means a trade war, and I doubt if even the chairman of this committee wants to invite or precipitate anything of that sort. I am quite sure he has no such disposition.

The CHAIRMAN. As to do what?

Mr. NORRIS. As to invite or precipitate a trade war with Canada.

The CHAIRMAN. Certainly not.

Mr. NORRIS. Certainly not.

The CHAIRMAN. We are agreed on that entirely. I do not think there is any danger of that.

Mr. NORRIS. Well, we must carry the load, if there is danger. With your ideas about it, if you should so decide, we must bear the consequences.

The CHAIRMAN. You do not know what my ideas are about it.

Mr. NORRIS. I have no doubt that before we get through to-night you will be for free pulp and free paper.

Mr. UNDERWOOD. The suggestion was made to-day that when this bill comes out of the committee it will probably come out in the shape of a maximum and minimum tariff bill. What have you to say on that subject, in the light of that statement?

Mr. NORRIS. Will you permit me first to take up the division of "labor," and of "wood and forestry," and then of the tariff, and then of combinations, so that I may cover the points which I understand were deep in the chairman's mind, that labor must be protected and that the cost of production must be insured?

Mr. UNDERWOOD. Certainly.

LABOR.

Mr. NORRIS. Simple arithmetic will determine the question whether or not the paper makers have given to labor any share of your tariff benefaction. In New York State, which is the largest paper-making State in the Union, the state bureau of labor (p. 359) gathered reports in 1906 from every branch of organized male labor in that State, and the figures showed that 2,786 organized workers in "paper and paper goods" received less than any other class of organized labor (exhibit). Paper workers received an average of $10.94 per week, or $1.82 per day, for skilled and unskilled labor combined. The proportion of skilled labor receiving $3 per day was less than 9 per cent of the total number employed.

In the State of Massachusetts in the year 1905 (see p. 371) 13,364 persons engaged in the paper industry received an average of $9.06 per week, or $1.51 per day, and in the year 1906 they received an average of $1.53 per day.

In the State of Wisconsin (p. 703) 44 establishments, employing 5,384 persons, reported that the average yearly wage was $462.01, equaling $1.48 per day, and for 1907 the pay was less than in any one of the three years preceding.

The Bulletin of the Bureau of Labor at Washington, for July, 1907, on page 3 (pp. 372 and 719 of Hearings) shows that of 41 industries employing 334,107 persons whose earnings were reported the only industry in which the pay of labor had been reduced in 1906, as compared with 1904 and 1905, was paper. The hours of labor in that industry were also increased in that year.

The census report for 1905 shows (p. 372) that 65,694 persons employed in the paper trade received an average of $9.32 per week, or $1.55 per day.

The paper makers based their increase in price of news print paper to $50 per ton in 1907, upon the representation that the cost of labor had been increased 50 per cent by reason of the change of tours from twelve hours per day to eight hours (p. 733). It now appears by the records of the American Paper and Pulp Association (p. 1743) that only 29 mills had changed to the three-tour eight-hour system and that 215 had continued on the twelve-hour basis.

The data submitted by various paper companies throws an interesting side light on the relative pay of labor. At the Hudson River mill of the International Paper Company the cost of labor per ton of paper produced was $1.13 per ton less under the eight-hour system than under the twelve-hour system, and that fact taken in conjunction with others found in the reports of the paper companies would

confirm the belief that better paid labor is the cheaper labor in the long run.

The Remington-Martin Company figures of labor cost for the year 1907, while approximating those of the International Paper Company for the same year were less than in the year 1906, when the twelve-hour system prevailed. The total cost of labor in all of the mills of the International Paper Company in the year 1907 under the 3-tour system increased only 34 cents per ton over the cost of 1903, and only 66 cents per ton, or 8 per cent (not 50), over the cost of 1905, when the twelve-hour system prevailed (p. 1977).

The cost sheets submitted by various paper companies to the Mann committee for the year 1907 showed extraordinary discrepancies, as follows:

	Labor cost per ton.
Gould (New York) mill, 12-hour system	$8.53
Cloquet mill (Minnesota), 12-hour system	11.57
Park Falls (Wisconsin), 12-hour system	10.56
Remington-Martin (New York), 8-hour system	8.53
International Paper Company (New York and New England), 8-hour system	8.52

It would appear from these figures that the western paper mills could not make paper as cheaply as eastern mills, and the eastern mills, working on the eight-hour system could show a saving of from $2 to $3 per ton in the comparisons. It is possible that the excessive labor cost of the western paper mills is due to the fact that they employ boys to operate their paper machines. The Mann committee in its visits to over 19 paper mills in Wisconsin and Minnesota found very few grown men. It saw many 15-year-old boys who were working thirteen hours for six nights. At one mill, Combined Locks (p. 2103), the night force worked fourteen hours. Two 15-year-old boys at one mill in Neenah, Wis., were working as members of the crew on a paper machine at the rate of 8½ cents and 10 cents an hour, respectively. Workers in George A. Whiting's mill at that place received pay varying from 90 cents to $1.10 per day. Women, who were sorting rags, were paid $4.50 per week by men who pose as leading citizens. Paper-mill workers in the Fox River Valley were paid 14½ cents per hour for sixty-five hours per week, or $9.52 per week.

Mr. Cowles, the president of the American Paper and Pulp Association, had declared to Congress that the cost of labor in the paper mills had increased from 30 to 70 per cent in ten years, and that a large part of this increase had taken place in past two years; but when the labor cost figures of his own mill were dissected it appeared that the labor cost was 12.21 cents per 100 pounds in December, 1906, under the twelve-hour system, and 12.68 cents in December, 1907, under the eight-hour system, an increase of less than 4 per cent (not 30 nor 70) in his mill. Comparative tables printed in the Paper Mill of July 6, 1907, showing the operations of a typical paper mill in the West, disclosed the fact that its labor cost had increased less than 2 per cent in ten years. There were numerous factors that contributed to keep down the cost of producing a ton of paper. The width of machines had increased in ten years from 100 and 120 to 150 and 160 inches; their speed had increased from 350 and 400 feet to 550 and 600 feet. The daily product of a paper machine had been increased from 20 tons to 45 tons. The labor mill workers contend, and

with some justification, that the pulp mill will grind more pulp when the men work eight hours than when they work twelve hours.

Upon the question of the comparative pay of paper-mill labor in the United States and Canada, I refer you to the statement of George Chahoon, jr., manager of the Laurentide Paper Company, of Canada (p. 805), and of Mr. Carl Riordon, of the Riordon Paper Mills, of Merriton and Hawkesbury, Ontario (p. 805), and of Mr. F. B. Lynch, of Minneapolis, who testified in October, and of Mr. Cowles, president of the American Paper and Pulp Association (p. 908), all of whom said that the Canadian mills pay as high and higher wages than are paid in the United States. Practically all skilled labor in these mills comes from the United States, and the inducement of higher pay must be made to attract them there.

In comparing relative pay with Canada, Mr. Cowles said: "If anything, I should say that labor is higher in Canada than it is in the United States."

The CHAIRMAN. Do you mean skilled labor?

Mr. COWLES. I mean skilled labor and cheap labor, both. That was not formerly so, but it is so to-day. That is my own experience and my own observation.

Consul Worman, of Three Rivers (p. 1991), reported to the State Department that "labor in the Canadian mills is as high as in the United States, yea, oftentimes even higher. The skilled mechanics are Americans who receive higher wages as an inducement to leave their home and country."

More than 100,000 newspaper employees have sent appeals to Congress and the President asking for the abolition of the duty on pulp and paper. Upon what theory can you claim to give protection and benefactions to paper-mill employees who do not treat their labor properly, while you refuse it to newspaper publishers who pay to their employees an average wage that is about three times the amount paid by the paper makers? The entire amount paid to paper-mill labor producing news-print paper will not exceed $9,000,000 per annum. Yet the paper makers who profess such anxiety for their labor ask you to add to the losses of compositors, pressmen, and stereotypers, and photo-engravers, whose enforced idleness in the last year, partially because of the high price of paper and its reduced consumption, will more than equal the total pay of these paper-mill employees.

Instead of giving to labor the rewards which protection was designed to confer, the paper makers have treated their labor worse than any other industry has done. Since the 1st of August, 1908, a protracted struggle was carried on between the International Paper Company and its employees over a question of a reduction of 5 per cent in wages—the contest entailing a loss in labor and other items exceeding $1,000,000, all of which must ultimately be borne by the newspaper publishers, under the provisions of your tariff schedule.

WOOD.

I now approach the subject of wood and forestry.

In presenting estimates of standing timber in the United States, I do so with misgivings of the accuracy of every government estimate in that direction. Two recent experiences of the worthlessness of such statements make me incredulous of all of them. Subject to this

reservation, I state that spruce constitutes 70 per cent of the wood used in paper making. Government reports of 1906 declare that the State of Maine supplied over one-third of the spruce used, and more than double the quantity furnished by its closest competitor, the State of Washington. The spruce of New York State has fallen off recently, and that of New Hampshire and Vermont has decreased about one-half since 1899. These four States in the Northeast furnished 60 per cent of the timber, Washington and Oregon 20 per cent, the Virginias 10 per cent, and the rest of the country 10 per cent. The State of Minnesota, about whose supply of spruce much has been said, supplied only one-sixtieth of the total cut. About three-fifths as much spruce was used for pulp as for lumber in the United States in 1906. Paper makers cut over 1,830 square miles every year to provide wood for pulp and paper mills. We import from Canada for the same purpose the timber from 338 square miles, so that our paper mills strip altogether 2,168 square miles every year. Of this stripping, approximately one-third, or 700 square miles, is for mechanical ground wood and two-thirds, or 1,400 square miles, is for chemical pulp.

New York State consumes over a million and a quarter cords of wood in the manufacture of pulp, or more than twice as much as Maine, which ranks next. The amount of pulp wood used in the United States in the calendar year 1907, reported by 250 mills, was approximately 4,000,000 cords. Forty-five per cent of this quantity was domestic spruce and 23 per cent spruce imported from Canada. Fifteen per cent was hemlock, 9 per cent poplar, and 8 per cent was said to be made up of pine, cottonwood, balsam, and other woods.

The Census Bureau has pointed out (Bulletin 77) that the inroad into the remaining supply of spruce is rapid, and that the concentration of much of the stand into extensive holdings of pulp manufacturers explains a substantial rise in the cost of lumber stumpage. I hesitate to give estimates of standing spruce, because estimates and conditions vary widely.

The fact that the principal users of spruce have bought over 12,000 square miles of timber tracts in the Province of Quebec alone would indicate their fear of a shortage, though evidences of a gigantic speculation in woodlands are numerous and strong. The International Paper Company, with approximately 7,000 square miles, or four and a half million acres, of timber lands under its control, turns out about 1,600 tons of paper per day. The vice-president of the Great Northern Paper Company has laid it down as an accepted formula of the trade that 1,000 acres of spruce will produce perpetually enough wood to turn out one ton of paper per day. Forester Pinchot was inclined to look upon this basis of computation as correct. Applying the formula to the International Paper Company's holdings, it would appear that that company has acquired about three times the area necessary for a perpetual supply on the basis of its present production. If the company should cut its pulp-wood supply from its own lands, there might be some justification for a contention that that immense acreage was necessary to safeguard its future supply. But it cuts from its own lands only 25 per cent of the wood it uses, buying 75 per cent upon the market. It therefore cuts only one-twelfth of that which its acreage would permit, and it is obviously engaged in the business of speculating in woodlands instead of making paper. A confirmation of this view of its methods is shown

in the statement it submitted to the Mann committee, wherein it claimed that it had woodlands worth $13,493,315, though its annual statement for June 30, 1908, placed the book value, and assumedly the actual cost value, of these woodlands at $3,697,560, showing an estimated profit of nearly ten million dollars on that speculation. Every purchaser of paper from that company is forced to pay approximately 2½ cents per 100 pounds as a contribution toward the carrying charges of that venture. Incidentally, I may point out that in the valuation of its properties it claimed that it had 194,592 horsepower of undeveloped water powers which it valued at $9,729,600. Here is another venture to which paper users must contribute for carrying purposes, these undeveloped water powers and these vast timber tracts having been acquired to stop others from competing with it in the manufacture of paper.

Mr. HILL. May I ask if you refer to the 35,000,000 of which you spoke a while ago as undeveloped water power?

Mr. NORRIS. Oh, no—no! That has been worked to the limit.

The worst phase of its business is the use of adjunct companies to hide its actual operations. It buys much of its wood from the St. Maurice Lumber Company, in Canada, which it owns and controls. It has three or four adjunct companies in the United States and Canada which completely baffle an audit of its wood accounts. These adjunct companies are: St. Maurice Lumber Company, Champlain Realty Company, Michigan Pulp Wood Company, American Realty Company, and Miramichi Lumber Company.

In shipping pulp wood from Canada it has not had any incentive to undervalue the export because there was no duty upon it. For years the International Paper Company has been certifying to the Canadian government that the pulp wood shipped by it from Canada to the United States was valued at less than $5 per cord. The values fixed by paper makers upon all the pulp wood send out from Canada have been as follows:

	Per cord.
1905	$4.38
1906	4.31
1907	4.37

These figures, which show an actual reduction in value in 1907 as compared with 1905, throw doubt and suspicion upon that company's figures of cost and profit, and suggest an inquiry into the relations of the subsidiary company to the parent concern. Indeed, they may affect its cost figures at some mills to the extent of $3 per ton, and disprove the claim of increased cost of wood. I am unable to fathom the purposes of a management which pays high prices to outsiders for its wood supply while refusing to cut timber from its own cheap lands, which are inventoried at less than $1.70 per acre. Neither can I understand the craze for woodlands which it developed in the year 1907, because in fourteen months prior to January 1, 1908, it acquired 2,000 square miles of additional acreage. Altogether, the International Paper Company had cut 6,418,512 cords from timber lands in Canada to January 1, 1908.

In the State of New York the International Paper Company has 400 square miles of spruce, of which 100 square miles is virgin timber. In Vermont it has 121 square miles, and in New Hampshire 200 square miles of which 80 square miles is virgin timber. For some

extraordinary and unexplained reason the International Paper Company is allowing that virgin timber to remain uncut. A virgin forest never grows. Every dictate of good forestry would suggest the propriety of cutting out the mature timber and thereby gaining 4 or 5 per cent per annum from the growth of that which is allowed to remain. The policy of the International Paper Company in these matters is beyond explanation. Certainly, the users of paper are made to suffer by reason of the withdrawal of these vast areas from the market and the inevitable increase in the cost of stumpage. The officers of the paper company comfort themselves with the reflection that lands which were reported to be worth $10 per acre ten years ago are now worth $27.50 to $30 per acre, but those valuations are purely fanciful and are the results of the artificial stimulation which pulp manufacturers have given to values. Eight or ten paper makers own over 1,140 square miles of spruce forests in the Adirondacks.

The International Paper Company has 400 square miles; Finch, Pruyn & Co. (affiliated with the International Paper Company), 220; Gould Paper Company, 170; St. Regis Paper Company, 100; Racquette River Company, 140; Schroon River Paper Company, 16; J. & J. Rogers Paper Company, 47; Dexter Sulphite Company, 47; hunting preserves for individuals, 1,500; New York State Forest Reserve, 2,700; a total of 4,340.

It is obvious that the prohibition of the export of pulp wood from Canada would mean the prompt destruction, not of 2 or 3 per cent of our forests, as paper makers would have us believe, but of 25 per cent, or 1,100 square miles, of the Adirondacks.

Mr. Pinchot estimates that the available supply of pulp-wood timber in the United States will last as follows: New York, eight and one-half years; Pennsylvania, nine years; Minnesota, nine years; Vermont, eleven years; New Hampshire, twenty-five years; Maine, twenty-eight and one-half years.

I am not authorized to say what the Mann committee found when it undertook to ascertain the possibilities of reforestization. I know it went to the West, where the supply from Ontario had already been stopped and where sawmills had been abandoned because owners found the Ontario law made relocation necessary on the north side of the Georgian Bay. Practically all spruce in Wisconsin has been cut out. In Minnesota the spruce was found to be exceedingly small in size and requiring from one hundred to one hundred and twenty-five years to reach maturity and a diameter of 10 inches, whereas in the State of Maine the pulp men say they do not cut anything less than 14 inches. A visit to paper mills in Wisconsin and Minnesota disclosed a ridiculous aspect to their pulp supply. In many cases they are adjuncts of lumbering operations, as shown by Mr. Weyerhæuser's investment at Cloquet and the Walker-Nelson investment at Little Falls. Disks cut from pulp wood in Minnesota mills showed that the 6-inch pulp wood counted 65 rings. Much of the wood was less than that diameter, and Mr. Mann brought back from Cloquet a specimen piece of pulp wood no larger than a baseball bat, which had been prepared for the pulp grinder. To reach bodies of spruce that would average 10 inches the committee passed through miles upon miles of burned forests, some burned in the spring of 1908, some in the fall of

1907, and some in the spring of 1907. It was admitted by the lumber cruisers who accompanied the committee that the fire in the spring of 1907 had been started by the lumber men to burn up their slashings and had become too much for them.

When Mr. Weyerhæuser, of St. Paul, the largest lumber operator in the country, was asked about the possibilities of reforestization, he said that it was impossible for individuals because of the constantly recurring forest fires and because of the time required to mature the trees, and because of the taxes on standing timber which would eat up the principal before the new growth could reach maturity.

Forester Pinchot submitted to the Mann committee tables based on actual measurements of timber in different parts of the United States to establish the fact that from twenty-five to forty years must elapse before a second crop of spruce timber could be obtained, and that period was dependent upon the observance of forestry conditions and a restriction of cutting to 10 inches minimum. To obtain spruce from seeds planted in the forests would require between seventy-five and one hundred years. Mr. Pinchot stated that the cutting of pulp wood in the United States was destructive rather than conservative because large and small timber is taken and little is left for a future crop. Testimony given to the Mann committee showed that in the West lumbermen cut everything clean, leaving nothing to grow for the second crop. Many States are putting a premium upon the destruction of their forests by taxing the standing timber. In Montana, it was stated the Government had adopted regulations which promoted this butchery. It will be necessary to move paper mills across the border or to the Pacific coast where there are supplies of spruce, if policies advocated by paper men inviting the prohibition of pulp wood from Canada are adopted.

In estimating the Canadian supply upon admittedly indefinite data of the two countries, Mr. Pinchot calculated that Canada had from two to three times the amount of spruce pulp wood that we have in this country (p. 1357). Canadian pulp-wood estimates vary. Broadly speaking, it has been claimed that there are spruce forests extending from Cape Hamilton, in Labrador, to the Yukon, and from the St. Lawrence north to Hudson Bay; that if the United States did not cut another stick of pulp wood for 200 years, and the Canadian trees should stop growing and remain in their present condition, there would be enough pulp wood available to keep us going for more than 200 years. Dr. Robert Bell, of the geological survey of Canada, says the forest areas of Canada measure 2,600,000 square miles, of which half are in pulp wood. This area computed on the basis of four cords of pulp wood to an acre would yield six and one-half billion cords, which would be enough to last the United States for 1,500 years on the basis of present consumption.

R. H. Campbell, superintendent of forestry of the Dominion government, calculated the forest area of the Dominion at 840,000 square miles, divided as follows:

	Acres.
British Columbia	182,000,000
Manitoba, Saskatchewan, Alberta, and unorganized territories	180,000,000
Ontario	40,000,000
Quebec	120,000,000
New Brunswick	7,500,000
Nova Scotia	5,000,000

Consul Worman, of Three Rivers, said there were 745,000,000 cords of pulp wood in the Province of Quebec alone. Americans were the first to organize milling companies to build sawmills in that consular district. Their operations have continued to this day, and with three exceptions, the lumber industry of Three Rivers may be said to be in the hands of Americans or controlled by American capital. Besides the mills in Three Rivers, there are ten or more large mills along the north and south shores, many of which are controlled by American capital, and exporting their products to the United States principally. American paper companies own more than 12,000 square miles in the Province of Quebec and in the list may be included the following:

	Square miles.
International Paper Company (in one of four land offices)	2,597
Berlin Mills	2,462
Union Bag and Paper Company	2,200
W. & M. J. Clarke, of New York	762
Saguenay Lumber Company	407
Bayless Pulp and Paper Company	475

In addition to timber holdings, Americans are interested in water powers on the Miramichi, Jacques Cartier, and St. Maurice rivers.

Consul Smith, of Victoria, says American syndicates seem to be successful in securing the bulk of the standing timber in British Columbia in spite of the keen rivalry of eastern Canadians. He said: "It is noteworthy that most of the large investments by Americans in British Columbia timber lands have been made by wealthy lumber men who now own or have made their money in large manufacturing enterprises in the Eastern and Middle States. They have literally poured their money into British Columbia, because, as several have declared to the writer, they regard the timber lands in this Province as the last that can be secured at nominal rates on this continent. As Wisconsin and Michigan forests were forty years ago so are the timber lands of British Columbia to-day." There is an item in the Daily Consular and Trade Reports, issued by the Bureau of Manufactures, for Monday, September 9, 1907, headed "Lumber in British Columbia," which seems to me incredible, because of the vast area to which it refers. It states on the authority of Consul L. E. Dudley, of Vancouver, British Columbia, that "a St. Paul, Minn., company (presumably Weyerhaeuser) purchased 261,000 square miles of timber lands, partly on Vancouver Island, the remainder upon the mainland, paying about $5,000,000 for the same, and proposes building six large sawmills at once. One American is said to have realized more than $1,000,000 profit upon his holdings acquired in the last few years. The provincial lands are not sold, and all logs cut upon such lands must be manufactured within the Province. The lands now changing hands by sale and purchase came into private hands before the enactment of the law now in force."

Consul Shott, of the Sault Ste. Marie district, reported that nine of eleven large sawmills in his district were owned by Americans and that fully 85 per cent of all the forest product of that district was manufactured by Americans.

At the annual convention of the Canadian Manufacturers' Association held in September, its president, Hon. J. D. Rolland, affirmed the accuracy of the estimates of the Dominion superintendent of forestry

and said the total was enough to keep Canadian mills going three hundred and eighty-one years. He said that if the United States were compelled to build mills in Canada or to buy paper there, it would represent over $500,000,000 additional capital in Canada. At that meeting the following resolution was adopted by the association:

The pulp and paper section of the Canadian Manufacturers' Association beg to report that at the various meetings of this section held since last autumn the members have been unanimous in the opinion that the government of Canada be requested to preserve the forests and conserve the pulp wood of this country by prohibiting the exportation from Canada of pulp wood, and they ask the earnest assistance of the association in their behalf.

The data here given covering comparisons of timber supply and the menace to American interests should impel the American Congress, solely upon considerations of enlightened self-interest, to arrange promptly with Canada for terms that would be mutually advantageous.

I now come to the section devoted to the tariff.

TARIFF.

The paper makers and Congress have publicly declared that the Dingley law did not increase the duty on paper. I propose to show that the duty on paper was increased in 1897, the date of the passage of the Dingley bill, from $4.11 per ton on a basis of 15 per cent ad valorem, to $6 per ton specific, an increase of $1.89 per ton, or 46 per cent, and that the duty in the year 1907 would have been $5.40 on the ad valorem basis if the previous law had prevailed, an increase of 54 cents per ton, or 12 per cent. Also that the duty on mechanically ground wood was increased from an ad valorem basis of 10 per cent, or $1.15 per ton, to a specific duty of $1.67 per ton, or 45 per cent increase.

Unbleached pulp was increased from 10 per cent ad valorem to $3.33 per ton specific; bleached pulp was changed from 10 per cent ad valorem to $5 specific.

The paper makers had failed to point out to you that the duty was based, not upon the price of the paper delivered at destination, but upon the selling price at point of shipment. When Mr. William A. Russell appeared before your committee on December 31, 1896, the price of news-print paper was $35 per ton delivered in New York, or $30.40 per ton f. o. b. mill, which at 15 per cent ad valorem would then have fixed a duty of $4.56 per ton. The paper makers then asked you to raise it to a specific duty of $6 per ton.

I will repeat that for the benefit of the Chairman, merely because it may recall a personal experience. When Mr. William A. Russell appeared before your committee on December 31, 1896, the price of news-print paper was $35 per ton delivered in New York, or $30.40 per ton f. o. b. mill, which, at 15 per cent ad valorem, would then have fixed a duty of $4.56 per ton. The paper makers then asked you to raise it to a specific duty of $6 per ton.

In July, 1897, within a few days of the date of the passage of the law, I bought 3,000 tons of news-print paper from the Hudson River mill at a price of $32 per ton, delivered in New York, or $27.40 f. o. b. mill, which at 15 per cent ad valorem would have required a duty

of $4.11 per ton, and you fixed a specific duty of $6 per ton, an increase of $1.89 per ton, or 46 per cent.

I understand that no one denies that the duty on mechanically ground wood or unbleached pulp was raised. However, it might be well to refer to the report of the Treasury Department, which proves that the mechanically ground wood imported in 1897 was valued at $11.55 per ton, thereby establishing the point that the ad valorem duty at 10 per cent in 1897 was $1.15, and that it was raised at that time to a specific duty of $1.67 per ton.

The duty on print paper did not produce any material revenue to the Government, the average collection of duties on news-print paper for ten years, since the passage of the Dingley bill, having been $9,365 per annum. The importations for each year were (see p. 880) as follows: 1898, no paper imported; 1899, no paper imported; 1900, 86 tons; 1901, 18 tons; 1902, 49 tons; 1903, 20 tons; 1904, 1,890 tons; 1905, 3.316 tons; 1906, 1,788 tons; 1907, 8,733 tons.

In six of the ten years it may fairly be claimed that news-print paper was not imported; and it is obvious that under such circumstances the duty on news print can not be regarded as a revenue tax. Practically no news-print paper has been imported into the United States except on emergency consignments.

Mechanically ground wood for the five years reported by the Treasury Department (p. 866) averaged 67,846 tons per annum, yielding an average revenue of $117,508 per annum.

Chemically bleached pulp was not imported (see p. 866). The importations of unbleached pulp for five of the ten years of which the Treasury Department furnishes a record averaged 31,000 tons, yielding an average revenue of $108,000 per annum. This importation of unbleached pulp carries with it a startling story of tariff demoralization.

Every result that was aimed at in the paper and pulp schedule, so far as it applies to the news-print business, has been reversed. The importations of mechanical pulp at the end of ten years are seven times as great as they were in 1898 (see p. 866), and our exports of news-print paper have diminished. The table furnished by the head of the export department of the International Paper Company (p. 1165) reveals a complete collapse of its foreign business because of conditions it had fostered at home. When you considered this paper schedule in December, 1896, Mr. Warner Miller told your committee that the primary purpose of any consolidation would be the exploitation of foreign trade. Subsequently, when the International Paper Company was formally organized, in January, 1898, Mr. Hugh J. Chisholm painted for the American Paper and Pulp Association a beautiful word picture of a proposed invasion of the world's markets. He counted $61,000,000 worth of paper business awaiting the American touch. He pictured the genius of our manufacturers, and he proposed to tap the golden hoard; but we find to-day that the International Paper Company has abandoned all the trade which years of effort had accumulated, and we are no nearer the foreign goal to-day on news-print paper than we were ten years ago. Our export trade of wood pulp has dwindled to half of what it was ten years ago; and a great part of that news-print paper export which now appears in the Treasury records represents, not a business based on the sound

principles of growth, but a purely artificial propagation, fostered by drawbacks and paid by the United States Government to the International Paper Company upon wood pulp brought into the United States and Canada and converted into news-print paper for export, with comparatively small advantage to American labor. The head of the foreign department of the International Paper Company estimated these exports at 17,000 tons, though the Treasury figures (see pp. 693 and 1005) failed to reveal that quantity. Those drawbacks for exportations were particularly grievous under the circumstances, because the company was taxing local consumers heavily for the paper it sold to them under the plea that it did not have enough paper to go around. To that extent the Government was placing a premium upon the paper famine, though a New York speculator was the principal doer of harm in that direction.

Turning to the study of the cost of production, we find a variety of material on which to base a comparison. On February 18, 1907, Mr. J. R. Booth, of Ottawa, sold paper to the International Paper Company at $33 per ton (p. 1157). The Laurentide Paper mill made apparent profits of $500,286.97 during that year on all its business, but this included lumber. Other Canadian mills sold at $35 per ton f. o. b. mill.

In the summer of 1897, shortly before I had bought 3,000 tons, to which I have referred in computing the raise of 46 per cent on duty, I bought from the Glens Falls mill, New York, 40,000 tons of news-print paper for the New York World at $33 per ton, delivered in press room, New York, or $28.40 f. o. b. mill, which figure included mill profit. The fact that there were profits in the operation of that mill is shown by the millions bequeathed by the men who owned and ran it. I then estimated that the cost of production at that mill, at that time, was about $24 per ton.

On April 14, 1904, the International Paper Company sold 900,000 tons of news-print paper to the Hearst publications under a ten-year contract at a price of $37.60 delivered in New York, Chicago, and Boston. This price was equivalent to $33 f. o. b. mill, and included profit for the company.

In the years 1906 and 1907 the cost of production at the Hudson River mill of the International Paper Company was $27 per ton (p. 705). In studying cost, the point should be noted that the Hudson River mill supply of wood comes from Canada. It is brought by rail from preparing mills in the St. Maurice River at a cost for transportation of $3.50 per cord of wood or per ton of paper, whereas other wood of the same company cut in the Adirondacks is put into the Hudson River and is floated past this mill to other plants of the company at Glens Falls and Fort Edward with very little cost for transportation. Then, too, wood has been shipped by canal and Lake Champlain from Canada to those mills; but for some unexplained reason it has been sent entirely by rail to the Hudson River mill.

The annual reports of the International Paper Company (p. 1211) indicate earnings as follows:

	Gross income.	Expense.	Earnings.
1898-1899 (17 months)	$20,956,221	$17,061,046	$3,895,175
1899-1900	18,707,635	15,581,759	3,125,876
1900-1901	20,711,902	16,750,245	3,961,657
1901-1902	19,719,420	16,818,225	2,901,196
1902-1903	20,142,771	16,529,310	3,613,461
1903-1904	20,304,514	17,150,531	3,153,983
1904-1905	20,908,666	17,640,198	3,268,468
1905-1906	21,837,816	18,679,296	3,158,520
1906-1907	21,841,486	19,000,016	2,841,470
1907-1908	20,716,804	17,878,134	2,838,170
Total for 10 years and 5 months	205,846,735	173,088,760	32,757,975
Average per annum	19,761,287	16,616,521	3,144,766
Improvements improperly charged to cost per annum			1,000,000
			4,144,766
Deducted for taxes and insurance			188,800
Net earnings per annum			3,955,966

The output for the International Paper Company for ten years has averaged less than 450,000 tons per annum. According to President Burbank (p. 716) the company has been spending $1,000,000 per annum on "improvements." The company is including that expenditure for improvements in its cost of production total. After allowing for taxes and insurance as part of the cost, we find that the annual profit has averaged $8.79 per ton on a basis of 450,000 tons of annual production, and that the manufacturing profit has been 29 per cent on cost f. o. b. mill; that the average price for paper delivered has been $43.91 per ton, or $2.19 per 100 pounds, or $11.91 in excess of the price at which I bought paper when the Dingley bill passed. Further, that the average cost of production has been $35.12 per ton delivered, or $30.52 f. o. b. mill. The company's figures of cost are based on juggled bookkeeping, which added at least $3 per ton for cost of wood at many mills, and the figures are also based on the production of many mills which are antiquated and unfit for news-print paper purposes and upon a costly method of assembling raw material whereby 7 sulphite plants supply 15 news mills. A properly balanced mill should have grinders and sulphite digesters and paper machinery concentrated at one place.

In ten years the International Paper Company has shown a distinct recession in its position. That $60,000,000 corporation has not displayed intelligence in its management. It has attempted to combat every law of trade and it has failed. A company whose business is run on the basis of secrecy and lying and deceiving its customers is doomed to disaster. The day will come when its bondholders will change its policies and methods and make paper at less than $24 per ton and meet all customers in the markets of the world on even terms at open prices, free of all combinations, doing business on a cash basis, standardizing its output, selling its undeveloped water power, cutting wood from its own lands, disposing of the acreage it does not need, encouraging trade schools, and revolutionizing the methods of its selling department.

When the company had an opportunity in 1905 to borrow $5,000,000 on bonds, it spent the proceeds, and it took another plunge promptly into a $5,000,000 floating debt. Its managers had put a premium upon competition because of their methods. They seem to be unable to take care of the property; and they beg the Government to help them maintain its impossible policies. It is a giant shackled by stupid servants; but may it not be that a corporation invites speculation with its possessions when it puts its officers in the atmosphere of Wall street?

The Great Northern Paper Company is selling to the New York World and to the New York Herald at prices which, including profit, net it about $31.40 per ton at the mill. I have been credibly informed that the Great Northern Paper Company, even with those low contracts on its books, was making a profit of $4,000 per day on an output of 400 tons per day, or $10 per ton profit. If we assume an average price of 2 cents per pound, or $40 per ton, delivered, on all of its contracts, and a cost of 23 cents per 100 pounds, or $4.60 per ton, for marketing its paper, we will find a production cost of $25 per ton.

American news-print paper sold in Sheffield, England, last year (p. 2020), on a basis of $39 per ton of 2,000 pounds, f. o. b. New York, while selling to New York customers at $50 per ton. In April, 1904, we called the attention of the Judiciary Committee of the House to the action of the International Paper Company in selling paper for London on a basis of $35 per ton f. o. b. New York while charging local customers $45 per ton; and when I told the Mann committee that that same corporation had been selling abroad at lower prices than it had sold to domestic customers, it cunningly evaded the point by furnishing, not its actual prices for special markets abroad at particular periods, but it gave an average price for each year (p. 1980). Even upon that table it admitted that in two years, 1903 and 1904, it obtained a lower price for foreign business than for domestic supply.

I have eminent authority for the statement that American mills can make paper cheaper than Canadian mills. I refer to Sir William Van Horne, the president of the Laurentide Paper Company, of Canada, which produces 160 tons of news-print paper per day, or double the quantity that all Canada uses. He said the advantage of the American mills over the Canadian mills was as follows: A supply of skilled labor, cheaper coal, adequate home market, cheaper mill supplies, cheaper first cost of machinery, cheaper repairs and maintenance, lower ocean rates for export, lower marine insurance on exports.

He omitted, however, the most important advantage which the American mills have. Canada is handicapped by excessively cold winters. In the north country it costs 25 per cent more to operate in winter than in other seasons.

The head of the export department of the International Paper Company, Mr. Chable (p. 433), is authority for the statement that Scandinavia, Finland, Canada, and the United States are the only countries that can make news-print paper profitably. American paper will command an advance of from 7½ to 10 per cent over the European make. Sir William Van Horne furnishes an explanation for that difference in quality in describing the fiber of the Baltic product as "silvery and not making a feathery pulp like the American product."

It is obvious that the American paper maker is protected against the Baltic paper maker by the cost of transportation and by a difference of $1.50 or $2 per ton in quality, by better and therefore cheaper labor, and by many of the things in our favor enumerated by Sir William Van Horne. The one striking fact which stands out as the primary and conclusive evidence of the inability of the Scandinavian news-print paper maker to enter this market is the point that in all the periods of high prices in the United States not a pound of British or Baltic or German news-print paper has ever been brought into the United States.

The mills at St. Croix, Millinocket, and Berlin, which are modern plants, can compete successfully with Canada or any other mills, and can make cheaper paper. This fact is just as true to-day as it was about the year 1897, when Mr. Hugh J. Chisholm sold paper in Toronto at an invoice price of $25 f. o. b. Otis Falls. Mr. Ballou, of Menasha, Wis., who buys pulp wood for 16 Wisconsin mills, indicated to the Mann committee (p. 2131) that America can manufacture news-print paper as cheaply or cheaper than Canada. It was the action of this single buyer in going 1,500 miles away from his western mills to purchase 50,000 cords of pulp wood that precipitated the hysterical performance in paper prices in 1907, though the most serious work of price-raising was done by a New York speculator.

The western mills had been suffering from the results of the imposition of the countervailing duty on paper. Their natural source of supply is Ontario; and when that Province prohibited export of pulp wood, you increased the cost of the raw material of those mills. The statement by him that American mills, presumably Wisconsin mills, can make cheaper paper than Canadian mills, has additional force because of this extra cost of wood. There is another disadvantage which the western mills overcame. The wood pulp furnished to them is small in diameter. Much of it is unfit for any other purpose. The spruce tree in that section does not grow much beyond 10 inches in diameter, and the material used for pulp grinding will not average 6 inches. Some of it is less than 3 inches in diameter, and makes extra waste and loss in barking the wood for the grinder (p. 2108). Some of the western mills are adjuncts of lumber establishments, and must take the leavings. Many of them are one-machine plants which can take only a proportion of the sizes which may be offered to them, and which lose a percentage of their production when they are unable to fully cover the wires of their paper machines. Notwithstanding this difficulty, the western mills have made money on prices of which they have complained. It required a corkscrew to extract from them any admission of financial gains. So far as I have been able to gather, the Mann committee has not been able to obtain the bona fide production cost of modern news-print mills; but I anticipate that the tariff committee of the American Paper and Pulp Association will deluge you and it with cost figures of machines that should have been consigned to the scrap heap, or turned to uses other than the manufacture of news-print paper in competition with the fast-running and finely appointed paper machines of recent construction.

It has been announced that the Committee on Ways and Means is to ascertain the comparative cost of production here and abroad. We are told that the American Paper and Pulp Association would submit such figures. May I deferentially ask how such figures can

be ascertained? What type of mill shall be taken? The antiquated type or the modern mill—the two-tour or the three-tour system—the mill that makes its own ground-wood and sulphite pulp or the mill that makes neither—the mill that speculates in timber tracts or the mill that buys pulp wood at the market, owning no timber tracts—the machine mill that rents its power or the mill that owns its water rights—the mill that can take only particular sizes that fit an unusual width or mills with enough machines to carry any sizes or orders? Shall we compare with Canadian mills or with British mills or with German mills? How shall the basis of comparison be established, and who shall establish it? Will you select a mill that is run as a news-print paper mill or one that is a by-product of a lumber proposition or one that is a consolidation of a number of antiquated plants half of which should be in the scrap heap?

Few of the western mills own any timber tracts. The Northern Paper Company, representing a pool of four mills, owns 40,000 acres in Wisconsin; the Kimberly Clark Company, producing 240 tons of paper per day, owns 30,000 acres; the Consolidated Company, of Grand Rapids, owns 20,000 acres. All the 21 mills scheduled to participate in the western merger owned 73,000 acres of timber land. These figures are in striking contrast with the 4,000,000 acres which the International Paper Company acquired with borrowed money. The western mills have managed to prosper in disregard of the assertion of President Cowles, of the American Paper and Pulp Association, that "nobody would go into the business today, build a new mill, who could not first secure an adequate amount of timber lands to supply the mill permanently with wood."

Of news-print paper mills in this country, 50 have no sulphite adjuncts. Included in that 50 are 9 mills which have no ground-wood attachments.

TARIFF KEPT UP AMERICAN PRICES.

Because of the tariff tax of $6 per ton we have not been able to buy for domestic use that Canadian paper which has been offered extensively at $1.75 f. o. b. mill within the last four months. The gentleman's agreement or combination which has controlled the American news-print paper market has maintained the domestic price at a figure just below the importing point, which was $2.05 f. o. b. mill. It did not seem right in July, 1908, a normal season, when there was no drought and no strike, that Canadian paper should be sent to London for sale at a price which was $5 cheaper than American newspapers could buy from American mills that had shut down parts of their plants and discharged their American labor rather than cut "agreed prices." The driving out, by threats, of 10,000 tons of Canadian paper which had been bought for this market by S. A. Cook, of Neenah, Wis., is conclusive evidence of the abuse of the tariff benefaction by American paper makers.

During the ten years which have passed since the passage of the Dingley bill there have been many periods when the tariff has forced an increase in the paper price. I calculate that in 1898, during the Spanish-American war, newspapers had been taxed fully $6 per ton because of the tariff; that in four years, from 1901 to 1904, inclusive,

the tax enabled local mills to add from $2 to $6 per ton to the cost of paper; and that in 1907 and 1908 the import duty has added from $5 to $6 per ton to the cost of paper.

When the Mann committee visited Grand Rapids, Wis., Mr. G. F. Steele, the general manager of the Nelsoosa-Edwards Paper Company, compared the conditions of American and German mills. He said the paper makers of America were slow to take advantage of possibilities in the manufacture of paper—that in some respects they showed the traits of the day laborer—that the paper business is primitive in many places and shows a lack of technical knowledge. The Germans have visited the United States. They have appropriated its ideas and have developed new methods because of their superior technical knowledge. In this respect the forces employed in American mills are lacking.

I commend to the earnest study of this committee the statement which appears at the end of report 29 of the Mann committee, wherein Mr. Steele describes with some elaboration the primitive character of the American mills as compared with the German mills; and that becomes quite important in connection with the matter of the raising of the duty on sulphite pulp.

In placing an import duty upon pulp and paper you have put a premium upon inertia. You have given the paper makers a false sense of security which has destroyed their initiative. You have unintentionally induced them to form pools and to arbitrarily raise prices and to open up the American market to an invasion which has put at least one branch of the business—that of sulphite pulp—in desperate straits. Germans obtained their help from the technical schools; and they have not only driven us out of foreign markets, but have undersold the American manufacturers in the home markets, and have displaced 57 per cent of the sulphite in the United States.

The paper makers who are asking for protection have been buying sulphite pulp from the foreigner in preference to buying it from the domestic producer, and doing so to the extent of 57 per cent of the total consumption of sulphite pulp.

The men who have been trying for more than five years to hold up and tax every user of sulphite pulp and of paper, have wrought their own undoing. They now come to you and impudently ask you to increase the import duty in order that they may increase their exactions; that they may have a new license to despoil their customers, and that they may continue trade policies which are impossible—in short, that they may push water up hill. Visit the paper mills, as the Mann committee has done, and you will find some methods which are said to be traceable to the twelfth century. Our paper makers have gone to sleep. Imagine a sulphite mill without a trained chemist! And yet there are very few sulphite mills in America employing chemists. Out of 22 mills of all sorts which the Mann committee visited, only 4 may be said to be approximately up to date. The beneficiaries of your tariff favor have allowed the world's market to slip away from them.

Paper can be made more cheaply in America than elsewhere. It is possible to capture the markets of the world. We have the materials and we have the opportunity; but we can only do it by putting the American manufacturer on his own resources, and by withholding from him those tariff favors which have been an incentive to indo-

lence. (I refer now to the paper business.) Withdraw your premium upon stupidity and ignorance, and the world is ours for the paper makers and the paper user. Put the spur of necessity upon American talent, and it will win its way; coddle it, and you weaken it.

A removal of the duty on news-print paper would make impossible any combination to raise price. It would place an automatic check upon monopoly. It would nullify the plan by which the International Paper Company and others have expended millions to acquire undeveloped water powers and desirable timber tracts, and to shut out competition. Free paper would steady prices rather than lower them. It would modernize the business, giving consumers the benefits of the latest methods and machinery. Existing duties have raised the price of paper and pulp by giving to the paper manufacturers a shelter behind which they could organize combinations. While the tariff does not account for the full advance in price, the tariff plus the tariff-engendered combinations do account for all of it.

Now I reach the last of my sections—combinations.

COMBINATIONS AND OTHER ILLEGALITIES.

A delegation of paper makers, headed by Mr. William A. Russell, appeared before the Ways and Means Committee on December 31, 1896, and urged the framing of the paper schedule to suit the purposes of a number of mill men who were then organizing the industry so that they might control prices. I appeared before the Ways and Means Committee at that time and charged that these gentlemen were then planning to form a combination of mills and to raise the price of news-print paper to 2½ cents per pound, or $50 per ton. On page 1760 of the report of that proceeding you will find that Mr. Russell said:

I deny both that there is a combination formed, or practically formed, or that any combination or any consideration of this matter by the paper manufacturers which contemplates raising the price of paper at all.

Within seven months after the passage of the so-called "Dingley bill" the International Paper Company was formed from a consolidation of about 30 paper mills, and immediate steps were taken to mark up prices. We call your attention to this matter to show you that at that time the paper makers misled and deceived Congress.

Combinations to restrict production and to fix prices have been made in almost every one of the divisions of the American Paper and Pulp Association, as follows: News-print paper, book paper, fiber and manila, box board, sulphite pulp, tissue, writing, blotting paper, soda pulp.

Information relating to all these combinations was submitted to the Attorney-General in October, 1907, and was subsequently embodied in a formal letter to him under date of February 10, 1908. We gave to him data covering—

Dates of meetings, allotments of output, fixing of prices, restricting of production, pool profits and payments, paying mills to shut down, refusal of quotations to particular brokers, limitation of periods of contracts, limitations upon jobbers, instructions to counsel to find a plan for conducting the affairs of the association in such manner as would defeat any attack upon it by Federal or State Government (I do not mean the American Paper and Pulp Association, but one of

these subsidiary associations), permission to members to bid on a prospective contract in competition with outsiders.

Up to date, the General Paper Company has been dissolved, and the Fiber and Manila Association has been indicted and punished. The Box Board Pool collapsed on April 1, 1908. The Sulphite Pulp Association dissolved and reorganized in December, 1907, as a Bureau of Statistics. The president of the American Paper and Pulp Association, David S. Cowles, resigned September 24, 1908, to make way for Arthur C. Hastings, of Buffalo, who has been employed to organize a so-called "Bureau of Statistics" for the paper trade.

The trade disturbances and price fluctuations in news-print paper, due to unlawful combinations, have been continuous since the passage of the Dingley bill. The creation of the General Paper Company in the West merged the news-print output of about 19 mills, and when the Federal Government dissolved it at the instance of newspaper publishers, one of its officers threatened publishers with the vengeance of higher prices, apparently ignoring the fact that the association had already helped to add $10 per ton to the cost of news-print paper.

On December 1, 1906, 21 western mills signed a tentative agreement to merge (p. 1999) into a corporation with $18,000,000 of stock and $15,000,000 in bonds, and additional bonds for 73,000 acres of timber owned by the mills. A syndicate was also planned to "protect the value of said bonds against the effect of injudicious and premature sales, and the ultimate realization of their full worth." I quote the phraseology of the proposition. The participants in that deal declined to testify on that subject before the congressional committee, one witness explaining that while the committee might grant immunity against prosecution under federal laws, it could not protect him against the application of Wisconsin laws (pp. 2128 and 2133).

Mr. John A. Davis, who had been manager of the General Paper Company until its dissolution and who had been largely responsible for the methods which ultimately wrought its ruin, joined the firm of H. G. Craig & Co., of 261 Broadway, New York, February 1, 1907. His new venture was attended with the prompt acquirement of the selling agency of a number of mills which theretofore had been acting independently. He controlled an output of about 750 tons daily from the following mills:

St. Regis Paper Company, St. Croix Paper Company, Gould Paper Company, Taggarts Paper Company, West End Paper Company, Malone Paper Company, Le Ray Paper Company, De Grasse Paper Company.

Incidentally he also sold paper for mills like the Cliff. At a period when prices were hardening from some cause, Mr. Davis tied up over a million dollars in paper, representing more than 20,000 tons, so that when publishers applied to the International and Great Northern Paper companies they were informed that no paper was to be had from them, but suggested that a call be made on Mr. Davis. Within fifteen minutes, in one instance, Mr. Davis called on the long distance telephone and arranged to ship paper at a price of $2.65, equaling $53 per ton. The representatives of the large paper companies instead of exposing this manipulation of the market to the publishers and the

authorities, steered purchasers to him, and they were equally guilty. Mr. Davis's action explains the so-called paper famine of 1907. The testimony of Mr. H. J. Brown, of the Berlin Mills, indicates another phase of Mr. Davis's operations in paper (p. 1387). Again, in March, 1908, when the Belgo-Canadian Mill, of Shawinigan Falls, sold 10,000 tons of news-print paper to an American purchaser, Mr. S. A. Cook, of Neenah, Wis., president of the Alexandria Pulp and Paper Company, of Indiana, he was not permitted to dispose of all of it in this market and 2,500 tons were sold to Lloyd, London, and another slice went to England, the purchaser paying the difference in cost. Some of the mills had apparently planned in August, 1908, to create a paper panic by writing to applicants that the entire output for next year had been sold out, all of which was untrue, because in other places its output was for sale.

At present, with pulp wood a drug in the market, many of the mills being loaded up with more than a year's supply in stock, and with wages and supplies reduced in cost and with capacity nearly 1,200 tons per day in excess of demand, the paper mills are holding out for what seem to be agreed prices for future delivery.

They seem to have formed that kind of a gentleman's agreement which the Paper Trade Journal declared "would avoid legal pitfalls." Incidentally it may be noted that the minutes of the Parks Pool disclosed the fact that the paper-trade publications had been urged to a "conservative" policy.

At all times the methods of the paper makers have promoted secrecy and favoritism in prices. The International Paper Company in 1907 quoted a price of $52 per ton to Mr. Bass, of the Bangor (Me.) Commercial, who was within 7 miles of its paper mill, and it quoted $50 per ton to papers in Atlanta and St. Louis (p. 1178). In one town where three publishers of equal merit were buying paper, one paid $35 per ton and another paid $55 per ton to the same manufacturer for identically the same article. The testimony before the Mann committee showed that in the year 1908 a price of $37.60 was paid by the Hearst papers, against a price of $50 by other papers in the same cities to the same company. The paper makers have arrayed themselves against open prices and against open dealing. They have preferred to keep their mills idle and their labor unemployed and to allow Canada to sell paper here, to the advantage of Canadian labor and the disadvantage of their own labor, rather than sell paper f. o. b. mill. When I applied to the Remington-Martin Company for 100 tons of paper which it wanted to sell it refused to let me have it because I refused to tell the name of the buyer, the place to which it was to be shipped, and the contract relations of the purchaser to other companies. I applied to every considerable news-print paper mill east of the Rocky Mountains for paper on terms which insured cash in advance for the paper delivered on car at the mill, and I was not able to buy from more than two out of fifty mills. Many of them needed orders. Their labor was working part time; but they preferred to respect a "gentleman's agreement" and starve the market to maintain a price. Recently I applied for a price for paper to be furnished to a western publication, and I then discovered that the paper makers not only interchanged information, but apparently kept an index of the expiration of each paper contract. Cases have been brought to my notice of applicants for paper

quotations who would be seated in one room while a clerk would call up someone to ascertain the status of the applicant. Almost invariably prohibitory prices were quoted under such conditions. Scores upon scores of publishers have complained that in some unaccountable way they had been apportioned to a particular mill at a given price and that all the results of a paper pool were accomplished, notwithstanding the denials of the news-print paper makers. What right has the farmer to say who shall make into bread the wheat that he sells? Yet these favored paper makers undertake to follow their paper into our press rooms and to dictate what publications shall be printed upon it. When the selling department of any corporation makes contracts in secret and makes discriminating rates to publishers and favors some and oppresses others, I say that the concern is unsound at its core and that its methods are a crime against the stockholders of that corporation.

Upon our application to Congress for relief a year ago we were told that our remedy was through the executive department and the courts. We furnished to the Department of Justice the data by which the Fiber and Manila Association, the Box Board Pool, and the Sulphite Pulp Association could be reached. We furnished evidence against other groups of paper makers. We furnished the data which resulted in the dissolution of the General Paper Company and in the issue of a permanent injunction against its members, prohibiting them from acting in concert. Subsequent to the issue of that injunction many of them cooperated with the Parks Pool in Fibers and Manilas. One of their number, the Petoskey Fiber Company, of Michigan, openly associated itself with that pool. Twenty-two members pleaded guilty to violation of law. They had robbed paper users of an average of $2,000,000 per annum by arbitrarily raising prices $16 per ton, and by closing mills and by restricting production and by depriving labor of its just rewards, because the tariff kept out foreign competition. A federal judge, upon the recommendation of the United States district attorney, let them off with a fine of $2,000 each, or $48,000 in all. I hold that indulgence of that sort was not a punishment. It amounted to a license to break the law. If the records of the meetings of the Fiber and Manila Association are examined, I am confident it will be found that many of its members are breaking the law to-day, and that they are meeting regularly to fix prices. As a specimen of the flagrant disregard of law which the Fiber and Manila men show, I exhibit to you the first page of the Paper Trade Journal of November 12, giving the details of a uniform price list which they had adopted as of November 5, 1908, advancing prices $3 per ton.

Against the Box Board Pool which invoiced goods exceeding $32,000,000 in value, at a pool profit of $4,835,652 on 853,677 tons, and against the Sulphite Pulp Association, the records of which are in possession of the authorities, not one step of which we are aware has been taken.

I noticed that Mr. Sidney Mitchell was on the list to address you on the matter of box boards. It is unfortunate that Mr. Mitchell did not appear, because Mr. Mitchell was head and front of the box-board pool and the prime factor in the wreck of the United States Box Board Company.

The Petoskey company, which was guilty of contempt of court in openly disregarding the writ of prohibition of the court, has apparently escaped all penalties. To whom shall we look for a stoppage of such lawbreaking? Do you propose to continue to show favor to these transgressors and to saddle upon the paper consumers the burdens of their misdoings? All respect for courts and for laws is destroyed when such things are possible.

Carrying our complaints to the Mann committee, and telling our story to that body, we encountered perjury and lying in every aspect. We had charged that the International Paper Company was producing 63,000 tons of manilas annually in four of its mills and was selling that output through the Continental Paper Bag Company, its exclusive selling agent. We charged that the International Paper Company, through the Continental Paper Bag Company, whose stock it controlled, was participating in that pool. Mr. Waller, vice-president of the International Paper Company, appeared before the Mann committee on May 18, 1908, and unqualifiedly denied any participation or any interest in any combination or any pool of any sort, either directly or through selling agents, and this applied to "any grade of paper." Yet within thirty-two days after that testimony was given, that is, on June 19, 1908, the Continental Paper Bag Company pleaded guilty to participation in the fiber and manila pool. The Continental Paper Bag Company hid its identity in the records of the association by appearing on the minutes as John Smith. And the indictment shows that that association voted (see folio 55 of indictment, a copy of which I have here) to send its uniform price list to Mr. Sparks, of the Union Bag and Paper Company, and "one to Mr. Waller, of the International Paper Company, for their guidance."

Mr. G. H. P. Gould also appeared before the Mann committee on May 16, 1908, and denied all knowledge of or participation in any combination. On June 19, 1908, that is, thirty-four days thereafter, the corporation of which he was and is president pleaded guilty to participation in the fiber and manila pool.

Officers operating western fiber and manila mills appeared before the Mann committee and testified that they knew of no arrangements for restricting output or fixing prices, yet they did meet. They did agree to close their mills for a period. They did close their mills, and they did so in disregard of the prohibition of the United States court dated June 18, 1906.

Practically all of the mills of Wisconsin which were participants in the General Paper Company have united in the creation of a traffic bureau which concentrates the routing and handling of one and one-half million tons of incoming and outgoing traffic for them. The same mills have common buyers who purchase all of their pulp wood. For a time all of them had auditors inspecting their books and gauging their business assumedly for Dean and Shibley. In view of the fact that these mills quote what seem to be agreed prices and accuse each other occasionally of cutting prices, I can not conceive of any machinery more complete for a combination in restraint of trade.

The Fiber and Manila Association and the Sulphite Pulp Association affect the news-print paper situation. When mills which can be changed to make news-print paper with slight cost are made exces-

sively profitable in other directions by these pooling arrangements (see p. 226), then their equipment is kept out of news-print paper production, and a news-print paper famine is promoted.

RESTRICTION OF OUTPUT.

When the International Paper Company was organized, it absorbed 111 machines making news-print paper, with an assumed capacity of 1,600 tons per day. Three of the machines were sold. Fifteen were discontinued, 5 were leased, and 15 were diverted to other uses. Only 2 machines for making news print have been added to the equipment, and that was not done until after the lapse of nine and one-half years. To-day it has 67 news-print machines with a capacity of 1,416 tons per day, but as the International Paper Company had diverted 125 tons of its product from domestic to foreign service, the supply to its American customers was 1,291 tons per day, or 309 tons per day less than its rated capacity for news-print production in 1898. If it enjoyed your tariff benefaction it should have taken care of the domestic supply, and the responsibility for a paper famine rests largely on it. We also call attention to the testimony of the manager of the Combined Locks Mill (p. 2102), who shut down his mill and discharged his help rather than solicit orders.

On November 25, 1903, all the news-print mills agreed to close down for one week and to reduce the quantity of paper on hand. Notices of the shut down were circulated and printed in the trade press. As a result of that performance there was a paper famine and prices bounded to $50 per ton. Then the Publishers' Association appointed a committee which visited Washington in April, 1904, and appeared before the Judiciary Committee of the House in an effort to compel the paper makers to keep within the law. Ordinarily a paper mill might shut down when its output exceeded the demand. But when that shutting down is part of an agreement between mills to starve the market and to extort excessive profits from buyers and to throw thousands of workingmen into idleness, then that arrangement assumes another aspect.

THE SULPHITE POOL.

For more than five years the members of the Sulphite Pulp Pool have been attending monthly meetings to hold up the market by its boot straps. They were continuously embarrassed by the refusal of Theodore Burgess, of the Burgess Sulphite Company, of Berlin, N. H., producing 340 tons of sulphite pulp per day, to restrict his tonnage. Finally, he was bought out by Mr. W. W. Brown, of the Berlin Mills, who cut its production to 90 tons per day, and a shout of great joy went up over the elimination of this disturber. The pool members had not reckoned that the paper makers would desert them. They had a rude awakening, however, when they discovered that the purchasers of sulphite pulp, like George A. Whiting, of Menasha, Wis., were buying sulphite pulp where they could buy it cheapest (see p. 2066). Other mill men, including John Strange (see p. 2086) said they bought foreign sulphite because it was superior to the American product. The Germans had devoted great study and energy to the promotion of the sulphite manufacture and had made many improvements while the American makers were content to run

along on primitive methods. The high prices which the American producers had fixed, and to maintain which they had restricted their output, invited large importations of foreign pulp, so that in the first seven months of the year 1908 the foreign makers furnished 57 per cent of all the sulphite used in the United States. Twenty-eight thousand tons came from Europe, 11,000 tons from Canada, and 33,000 tons from American mills. In June, 1908, prices for sulphite dropped to a lower level than they had reached in eight years. The Sulphite men professedly changed their organization on December 19, 1907, to one of statistics, in an effort to evade the federal statute. They now ask that Congress tax all paper users for their benefit by raising the duties on bleached and unbleached pulp.

The CHAIRMAN. It is not necessary to read that portion; just skip the part in reference to the newspapers.

Mr. NORRIS. Very well.

The part referred to is as follows:

I submit a schedule of references to testimony of 42 newspapers, on uniform bids; of 54 newspapers, about refusal of mills to quote prices or to make contracts; of 13 newspapers, on lack of competition; of 18 newspapers, on limitation of contracts to one year; of 159 newspapers, on prophecies by paper mill representatives of coming advances in prices and of a paper famine; of 7 newspapers, on interchange of information by mills; of 8 newspapers, on simultaneous advances in prices by paper mills; of 26 newspapers, on the allotment of consumers to particular mills; of 6 newspapers, about quotations made subject to change without notice or for twenty-four hours only; of 11 newspapers, on threats or scores by paper makers; of 99 newspapers, action by mills in fixing prices, including dates of meetings.

NO FEAR OF COMBINATIONS.

Mr. NORRIS. We have no fear of a trade combination as such. When it attempts to combat natural laws of trade it invites failure. In 1897 a new production of 500 tons of news-print paper resulted from the mere discussion of the scheme to consolidate 30 mills. The actual merge of those mills in 1898 induced the building of the Great Northern mill and of similar plants. The proposition to consolidate 20 Western mills into the General Paper Company also increased the Western capacity for paper, and periods of reaction and demoralization followed the seasons of artificial stimulation. The combinations of paper mills induced combinations of supply men, and of dealers in wild lands, all of whom marked up their prices, thereby appropriating much of the additional profits which the consolidators sought to obtain. The newspapers, however, carried everybody's load. What we object to are the methods of the dark lantern and of the sandbag.

The following extracts were submitted by Mr. Norris:

BOOK MEN MEET.

THEY DISCUSS THE UNSATISFACTORY CONDITIONS NOW PREVAILING—AFTER THE MEETING OF THE MANUFACTURERS IT IS REPORTED THAT LEADING WESTERN JOBBERS HELD A LITTLE MEETING OF THEIR OWN—A CONSOLIDATION OF WESTERN BOOK JOBBING HOUSES.

[From our regular correspondent.]

CHICAGO, ILL., *November 2, 1908.*—The majority of the western manufacturers of book and coated papers, together with a small representation of eastern manufacturers of the same grades of paper, met at the Auditorium, in Chicago, last week. No public announcement was made of the business transacted.

It is reported that preceding the meeting there was a love feast, and that much of the misunderstanding and hard feeling prevailing since the summer meeting, which culminated in a cut of prices, was amicably settled. General conditions were discussed. Most of the manufacturers reported a substantial increase of orders, but that present low prices hardly covered the cost of production. Fears were expressed that the supply of pulp would be short this year because of the drought. While it was the consensus of opinion that conditions warranted higher prices for book paper, no immediate advance was predicted.

Before leaving Chicago several of the manufacturers were very active in soliciting orders at present prevailing prices, and in doing so hinted of possible future advances in price. One large Ohio manufacturer was reported not represented at the meeting.

Immediately after the book-paper manufacturers had left Chicago the sales manager of the Ohio mill arrived in town, and coincidently representative paper jobbers from Minneapolis, St. Paul, Louisville, St. Louis, and Kansas City. A meeting of the jobbers was held Saturday, and the Ohio sales manager was much in evidence. Chicago jobbers were not represented at the meeting. The representative of The Paper Trade Journal was told that no report of the meeting would be given to the public. The Minneapolis and St. Paul jobbers stated that they were in Chicago to see the Minnesota boys do up the Chicago University football players, but this did not explain the presence of the jobbers from St. Louis, Kansas City, and Louisville. The Ohio sales manager hinted that it was a birthday party. At any rate, some sort of a conference was held, and in all probability it was in reference to the book-paper situation.

The presence at the meeting of Judge Moore, counsel for the West Virginia Pulp and Paper Company, was also reported. It leaked out that there was a scheme of consolidation of ten of the large Western paper jobbing houses in contemplation. What advantages of consolidating were offered are not known to the public. The proposition was such a strange one that it is causing considerable talk in the trade. It seems that the gathering was not instigated by the jobbers, but by the manufacturers. It is reported that only one Chicago house was invited to attend the conference. Nothing definite was transacted, as all of the jobbers attending the conference were not in accord with the movement, whatever it was. One jobber dropped the remark that it would take more money than they had to buy them out, and that as far as his house was concerned he was not interested.

Later developments are awaited with interest by the trade, but, like other schemes which look well on paper, may never be realized.—The Paper Trade Journal, November 5, 1908.

Wrappings Advanced.

WESTERN M. & F. MEN ADOPT NEW UNIFORM PRICES ON MANILAS AND FIBERS—FIBER PAPERS AND NO. 2 MANILAS ADVANCED ABOUT $3 PER TON, BUT NO INCREASE IS ANNOUNCED ON NO. 1 MANILAS—COST OF PRODUCTION HIGHER BECAUSE OF SHORTAGE OF PULP.

The western manufacturers of manila and fiber papers have adopted a new uniform list of prices covering the various grades of manila and fiber papers. The list, which became effective on Thursday of last week, reads as follows:

Screenings	$2.15
White manila, 30 to 35 pound	2.60
Butchers' fiber:	
50 to 65 pound	2.80
Heavy weights	2.90
No. 1 water finish (white or drab):	
40 pound and heavier	3.05
35 pound	3.20
30 pound	3.60
Black pattern paper, 35 to 50 pound	3.15
No. 1 colors:	
40 pound and heavier	3.30
35 pound	3.45
30 pound	3.85

No. 1 manila:	
35 pounds and heavier	$2.85
30 pound	3.00
25 pound	3.25
Butchers' manila, 50 pound and heavier	2.50
No. 2 manila:	
35 pound and heavier	2.60
30 pound	2.70
No. 1 water finish (all sulphite):	
40 pound and heavier	3.15
35 pound	3.30
30 pound	3.70
Green pattern paper, 35 to 50 pound	3.30
No. 1 dry finish:	
35 pound and heavier	3.15
30 pound	3.30
25 pound	3.70

The above prices are all delivered on a 20-cent freight rate or under. For all other places the excess freight must be added. On local shipments the prices would be the prices quoted above less 10 cents f. o. b. mill.

Sizes under 150 square inches, 10 cents extra.

Frames, 10 cents per 100 extra.

Tight frames, 20 cents per 100 extra.

Cases not less than 400 pounds to the case, 25 cents per 100 extra.

Rolls under 6 inches wide, 25 cents per 100 extra.

Rolls under 9 inches in diameter, 25 cents per 100 extra.

Blasting rolls, one-quarter of a cent extra for 5-pound rolls, 10 cents per 100 extra for each pound less in weight.

Reams less than 480 sheets count, $2 per ton extra.

Ream wrapping, 20 cents per 100 extra.

Wood cores to be weighed in and not returnable.

The Eastern manufacturers are expected to adopt a similar price list within a short time.—The Paper Trade Journal, November 12, 1908.

STATEMENT OF FRANK J. KELLY, REPRESENTING THE INTERNATIONAL PHOTO-ENGRAVERS' UNION OF NORTH AMERICA, WASHINGTON, D. C.

SATURDAY, *November 21, 1908.*

Mr. KELLY. The International Photo-Engravers Union of North America asks the abolition of the duty on white paper and wood pulp, believing that the present duty limits the employment of members of our organization.

The enforced reduction in the size of plates made by our members owing to the increased cost of news-print paper has resulted in the loss of employment by many of our members.

Furthermore, practically every demand made for increased wages by our members on newspapers in the last three years has been contested on the ground that the increased cost of white paper has made it impossible to meet such demands.

STATEMENT OF PATRICK J. McMULLEN, REPRESENTING THE INTERNATIONAL PRINTING PRESSMEN AND ASSISTANTS' UNION OF NORTH AMERICA, CINCINNATI, OHIO.

SATURDAY, *November 21, 1908.*

Mr. MCMULLEN. I simply want to verify the facts contained in the resolutions passed and adopted by our convention.

STATEMENT MADE BY JAMES J. FREEL, REPRESENTING THE INTERNATIONAL STEREOTYPERS AND ELECTROTYPERS' UNION, OF NEW YORK CITY.

SATURDAY, *November 21, 1908.*

Mr. FREEL. I want to say that I represent the International Stereotypers and Electrotypers' Union, the members of which are employed on the newspapers. I would like to read this resolution, which is a short one, for the purpose of placing our organization and the other organizations on record.

The CHAIRMAN. Proceed.

Mr. FREEL (reads):

Resolutions adopted by the joint conference board of the Allied Printing Trades, composed of delegates representing the International Typographical Union, International Printing Pressmen and Assistants' Union, International Stereotypers and Electrotypers' Union, International Photo-Engravers' Union, and the International Brotherhood of Bookbinders:

Whereas we, the workers employed in the various departments of newspaper and commercial printing offices throughout the United States, i. e., compositors, pressmen, stereotypers and electrotypers, photo-engravers, and bookbinders, to the number of over 100,000, feel that any combination which produces an artificial scarcity of news-print paper, and which unduly stimulates the price of product, is an oppression that affects alike the employee as well as the employer; and

Whereas the almost prohibitive and ruinous price of such paper has curtailed to an alarming extent the number of workers employed in the printing industry, and has further acted as a preventive to the printing trades artisans from securing higher compensation for their services, to which they are justly entitled: Therefore be it

Resolved, That this joint conference board, in session at Indianapolis, Ind., December 17, 1907, submit a memorial to the President of the United States and the Congress, and appeal for the abolition of the duty on white paper, wood pulp, and the materials which are used in the manufacture thereof.

Resolved, That all local unions affiliated with our various international organizations are requested to indorse these resolutions and forward copies to their Representatives and United States Senators.

I would like to say that that was the position of the organization that I represent in December, 1907, and that is their position to-day, and we respectfully ask the Ways and Means Committee to abolish the tariff on wood pulp and news-print paper.

STATEMENT OF J. W. HAYS, FIRST VICE-PRESIDENT INTERNATIONAL TYPOGRAPHICAL UNION, MINNEAPOLIS, MINN.

SATURDAY, *November 21, 1908.*

Mr. HAYS. Mr. Chairman and gentlemen of the Ways and Means Committee, representing the International Typographical Union, the largest organization which has to deal with the American Newspaper Publishers' Association, and, perhaps, the organization more closely associated with the management in relation to the papers they print, and being better informed as to the reasons why the size of papers is at this time reduced and the reasons why fewer members of that organization are employed by that association, I desire to say that our organization thinks it would be to the interests of its members and to the interests of 125,000 members associated with the allied printing trades that the duty on pulp and print paper be abolished.

The positions which we hold in the newspaper offices are such that we receive direct illustration at times that sizes of papers are reduced or at times that the papers might be larger than they are and more of our members employed were it not for certain things. We find from experience that the sizes of the papers are frequently reduced because of the fact that paper is scarce. We know from experience that these publishers hold the papers down to as small a size as possible ostensibly for the reason that the price of paper is so high. We believe that the ostensible reason is practical and true.

We also believe that were it not for this duty on wood pulp and print paper that there would be a much larger number of men employed in the paper mills. We believe that the tariff now existing on wood pulp and paper does not redound to any extent to the benefit of the people who are employed in those mills, and that without this tariff the demand for white paper would be so much larger and the demand for print paper would be so much larger that the benefit would accrue to the entire community by reason of the employment of a larger number of people in those industries. We believe that with the larger number of people employed in those industries we, working under agreement, will get large wages as compared with the wages paid in the paper mills and that it would also result in the employment of a greater number of our members and in increasing our membership at the same time.

Therefore we believe that, while the tariff now existing does not increase in any way the wages of the people who work in the paper mills, it does decrease the opportunity to work in the newspapers throughout the country. Therefore we believe that large numbers of the working people throughout this country would be materially benefited by taking off the duty on paper.

I thank you very much.

STATEMENT OF ARTHUR C. HASTINGS, PRESIDENT OF AMERICAN PAPER AND PULP ASSOCIATION, NEW YORK CITY.

SATURDAY, *November 21, 1908.*

Mr. HASTINGS. I do not intend, Mr. Chairman, to take any of your time this evening, as I understand the paper which I am going to submit will be printed in the minutes, and that will give more time to others who wish to be heard.

I have nothing to say, except in a general way, and I think you gentlemen can read the brief to better advantage than to have me read it from here. I do put myself on record—representing some 150 members of the American Paper and Pulp Association—as being in favor of the retention of the duties on paper and pulp, and I have no doubt, although I can not speak for them, that all the manufacturers of paper practically feel the same way.

I also desire to say that I have been listening this afternoon to the paper by Mr. Norris. I never did like that paper, and this is the third or fourth time I have heard the most of it.

I also desire to file with the committee a statement from the Box Board Manufacturers, who were not present when their names were called by the chairman.

(The statement referred to by Mr. Hastings follows:)

Mr. Chairman and Gentlemen of the Ways and Means Committee:

Representing the box-board industry in the United States, we submit the following reasons for our request that the present tariff on box boards be maintained:

The capital invested in the box-board industry is approximately $33,000,000. There are 126 box-board mills with an annual capacity of 970,000 tons, valued at about $30,000,000, employing approximately 6,300 wage-earners who receive about $4,000,000 in wages per annum, besides salaries of officials, clerks, etc., of about $800,000 per annum.

The freight paid railroads on box boards is more than $2,000,000 annually, besides freight paid on products coming into the mills. Approximately 3,000,000 tons of material are purchased and consumed per year in the manufacture of box board.

The industry is increasing largely. According to United States census reports the box-board tonnage in 1900 was 365,000 tons, at a value of over $10,000,000; in 1905, 520,000 tons, at a value of over $16,000,000, and we figure the present capacity 970,000 tons, at a value of $30,000,000, or an increase of 200 per cent in eight years. Raw material and labor are considerably lower abroad than in the United States.

Notwithstanding the duty of 25 per cent on boards, large quantities are imported in increasing volume each year.

Box board is mostly manufactured from waste material, namely, straw and waste paper, for which the box-board mills pay annually over $14,000,000. This material would necessarily be burned or otherwise destroyed if not used in the manufacture of box board. The freight rate on straw board from the mills to eastern manufacturing centers averages about $4 per ton, while the rate to same points from foreign countries is about $2 per ton.

Owing to cheapness of labor, waste paper is purchased in England, shipped to Holland and Germany, manufactured into box board, and sold in New York and Philadelphia. We are informed that several board machines have recently been purchased for shipment to Japan. These will undoubtedly be used to supply boards to our Pacific coast.

For the above reasons we believe that our industry is at least entitled to the protection afforded by the present tariff.

Respectfully submitted.

(Signed) CHAS. E. WILLIAMS.
SIDNEY MITCHELL.
WM. R. SHAFFER.

Mr. GRIGGS. What is the association which you represent?

Mr. HASTINGS. The American Paper and Pulp Association.

Mr. GRIGGS. What is that association composed of?

Mr. HASTINGS. Manufacturers of paper and pulp in all lines, writing paper, box, newspaper, wood pulp, sulphite, etc.

Mr. GRIGGS. What is the purpose of the association?

Mr. HASTINGS. Originally the purpose was supposed to be to look out for their interests in the matter of legislation or state matters, so that they could take up as an association matters which the individuals could not take up. Finally, it got to be a social organization with a meeting once a year, a dinner, and a general good time.

Mr. GRIGGS. They do not hear from one another during the year?

Mr. HASTINGS. They have not until the last year. We have been quite active with a view to trying to get them interested in the tariff matters.

Mr. GRIGGS. Is there anyone here to speak for them?

Mr. HASTINGS. That is naturally my business. I am the president of the association.

Mr. UNDERWOOD. You heard Mr. Norris's paper. It was your association he referred to as controlling the prices of wood pulp and paper?

Mr. HASTINGS. I heard a great deal that Mr. Norris said.

Mr. UNDERWOOD. What have you to say as to that?

Mr. HASTINGS. I say it is absolutely false, without any foundation of fact.

Mr. UNDERWOOD. There is no combination in your association to control the price?

Mr. HASTINGS. There is absolutely none.

Mr. UNDERWOOD. Or to control the market?

Mr. HASTINGS. No, sir.

Mr. UNDERWOOD. Does your association in any way divide the market that your mills shall supply paper to?

Mr. HASTINGS. No, sir.

Mr. UNDERWOOD. Is there any understanding that you shall maintain the same price during the year or a relative price?

Mr. HASTINGS. No, sir.

Mr. UNDERWOOD. Is it a fact that the price of newspaper, white paper, is about the same at all times?

Mr. HASTINGS. It is not a fact.

Mr. UNDERWOOD. You all have selling agents who control your product?

Mr. HASTINGS. No, sir. Some sell more or less direct by correspondence. I am the treasurer and manager of the Cliff Paper Company, of Niagara Falls, N. Y. We make practically 40 tons of paper a day. All that paper is sold practically by correspondence and some through jobbers, all the way from California to Australia.

Mr. UNDERWOOD. What is the amount of white paper the newspapers consume in the United States?

Mr. HASTINGS. Roughly, probably 3,500 tons a day.

Mr. UNDERWOOD. How much of that is produced in the United States?

Mr. HASTINGS. 3,500 tons.

Mr. UNDERWOOD. The present duty, then, is prohibitive?

Mr. HASTINGS. No, sir; it is not.

Mr. UNDERWOOD. There are no importations?

Mr. HASTINGS. Yes, sir.

Mr. UNDERWOOD. To what extent?

Mr. HASTINGS. Last year about 25,000 tons were imported, as I understand.

Mr. UNDERWOOD. What is the percentage of importations to the amount of production in the United States?

Mr. HASTINGS. Some years there is none imported. Other years, due to abnormal conditions as to extra demand or as to short production through water conditions, there might be any percentage up to 2 or 3 per cent.

Mr. UNDERWOOD. What is it on the average?

Mr. HASTINGS. I should not say that there were over ten or fifteen thousand tons on an average imported.

Mr. UNDERWOOD. What is that percentage as compared with the amount of production in this country?

Mr. HASTINGS. That would not be over about 1 per cent or 2 per cent.

Mr. UNDERWOOD. Then the present duty is practically prohibitive in so far as its result on the market is concerned?

Mr. HASTINGS. Not if the prices warrant.

Mr. UNDERWOOD. I mean at the existing prices. Of course, I recognize that the prices can go up and bring in a great deal of paper. I mean considering the question from what the normal prices have been in the past and the normal importations?

Mr. HASTINGS. No; I do not think it is prohibitive. I consider an overproduction in another country that wanted to sell at a dumping price can come in, and does.

Mr. UNDERWOOD. But the normal condition of the market, with the present duty, is not inviting to the shipment of paper into this country?

Mr. HASTINGS. Not at the market price, no; but there is paper which might come in under a clause which would not forbid dumping.

Mr. UNDERWOOD. Of course, we are considering the proposition from what actually is taking place, not from what might happen.

Mr. GRIGGS. Has it ever happened?

Mr. HASTINGS. Yes, sir.

Mr. GRIGGS. It has happened?

Mr. HASTINGS. Yes, sir.

Mr. GRIGGS. And broke the price of paper over here?

Mr. HASTINGS. There would not be enough to come in to break the price, but we paper manufacturers believe that to let down the bars so any country that is better situated through natural conditions to compete with us, and with the cheaper labor, that it would not be many years before the business would increase so that you would practically put the mills of this country out of business.

Mr. GRIGGS. Where are the importations from?

Mr. HASTINGS. Canada, Norway, and Sweden.

Mr. GRIGGS. There is no cheaper labor in Canada?

Mr. HASTINGS. Yes, sir; a little cheaper labor.

Mr. GRIGGS. One of the mill men here swore that they had higher labor?

Mr. HASTINGS. I did not hear that statement, but we have a report from the select committee.

Mr. GRIGGS. I said "swore;" I meant, stated the fact.

Mr. HASTINGS. If he was a paper manufacturer, it would not have made any difference between swore and stated.

Mr. GRIGGS. I just wanted to keep the record straight, that is all.

Mr. CLARK. You have an idea that a paper manufacturer is more likely to tell the truth than other people?

Mr. HASTINGS. No, sir; not necessarily.

Mr. CLARK. Your remark, then, was supposed to be humorous?

Mr. HASTINGS. Yes, sir.

Mr. CLARK. Are you one of the 24 men who were fined $2,000 each?

Mr. HASTINGS. No, sir.

Mr. CLARK. Who were those gentlemen?

Mr. HASTINGS. I do not know.

Mr. CLARK. Do you undertake to tell this committee that you do not know the men who were prosecuted and fined $2,000 apiece by the court?

Mr. HASTINGS. I certainly do. I might tell you an individual here and there.

Mr. CLARK. What were they fined for?

Mr. HASTINGS. They were accused of some kind of collusion.

Mr. CLARK. Collusion about what?

Mr. HASTINGS. As to selling or controlling the price, or something of that kind. I do not know what.

Mr. CLARK. They were prosecuted under the antitrust law. Is that true or not?

Mr. HASTINGS. I tell you I do not know. As an association they have no membership in our association. There may have been individuals who belonged.

Mr. CLARK. Any of them here?

Mr. HASTINGS. I do not know.

Mr. CLARK. What has become of the International Paper Company?

Mr. HASTINGS. It is still in existence.

Mr. CLARK. Do you undertake to say that they do not control or fix the price of paper in the United States?

Mr. HASTINGS. I certainly do.

Mr. CLARK. How much is paper selling for now?

Mr. HASTINGS. Whose paper?

Mr. CLARK. Anybody's paper.

Mr. HASTINGS. My paper is selling for 2.65, 2.75, and 3 cents.

Mr. CLARK. How much is that a ton?

Mr. HASTINGS. Anywhere from $50 to $60 a ton.

Mr. CLARK. How much was it selling for when the Dingley bill was passed?

Mr. HASTINGS. In what year?

Mr. CLARK. In 1897.

Mr. HASTINGS. I know that some paper sold as low as 1.50 and 1.60 cents.

Mr. CLARK. The effect of the Dingley bill has been to put the price up from $32 or $33 to $55?

Mr. HASTINGS. I do not consider it did; no, sir.

Mr. CLARK. It went up?

Mr. HASTINGS. Yes, sir; so did wheat.

Mr. CLARK. The time it went up coincides with the life of the Dingley bill?

Mr. HASTINGS. Very well.

Mr. CLARK. There was no earthly connection with the two?

Mr. HASTINGS. Not necessarily.

Mr. CLARK. What did put it up?

Mr. HASTINGS. The law of supply and demand.

Mr. CLARK. The law of supply and demand?

Mr. HASTINGS. Yes, sir.

Mr. CLARK. What made you shut down your factories and create a paper famine?

Mr. HASTINGS. I did not.

Mr. CLARK. Did anybody?

Mr. HASTINGS. I do not know.

Mr. CLARK. What did you say put the price of paper up?

Mr. HASTINGS. The law of supply and demand.

Mr. CLARK. How does it happen that you sell your paper $10 a ton less abroad than you sell it to the paper men in the United States?

Mr. HASTINGS. I do not.

Mr. CLARK. Does anybody?

Mr. HASTINGS. Not that I know of.

Mr. CLARK. Did you ever hear of it being done?

Mr. HASTINGS. No, sir.
Mr. CLARK. Do you export paper?
Mr. HASTINGS. Not this year.
Mr. CLARK. Who does export paper?
Mr. HASTINGS. I presume the International Paper Company and probably the W. H. Parsons Company.
Mr. CLARK. Are you a part of the International Paper Company?
Mr. HASTINGS. I am not.
Mr. CLARK. Did the International Paper Company pick you to represent them?
Mr. HASTINGS. No, sir. I represent the American Paper and Pulp Association.
Mr. CLARK. Is it true that these paper concerns pay lower wages than the laboring men of like class receive in other occupations in the United States.
Mr. HASTINGS. I do not think it is. I think that that statement is incorrect for a similar class of labor.
Mr. CLARK. How much revenue does the paper business bring into the United States Treasury?
Mr. HASTINGS. In 1907 it brought in something like $15,000,000 or $17,000,000; but I do not mean that that was the amount of paper imported.
Mr. CLARK. How much revenue?
Mr. HASTINGS. It is roughly, perhaps, 15 per cent of that.
Mr. CLARK. Is not that rate about prohibitive?
Mr. HASTINGS. No, sir.
Mr. CLARK. If all the schedules, Mr. Hastings, brought in as little revenue in proportion to the amount of business, then the United States Government would have to look to some other source of revenue besides the tariff?
Mr. HASTINGS. I do not know. I am not a tariff expert. I can not tell what the income is.
Mr. CLARK. You know the Government spends about a billion dollars a year?
Mr. HASTINGS. I know they spend a lot of money.
Mr. CLARK. Do you not know they spend about a billion dollars?
Mr. HASTINGS. I have seen it stated as something like a billion dollars.
Mr. CLARK. You do not take any interest in that?
Mr. HASTINGS. Yes, sir.
Mr. CLARK. I think you are better informed than you seem to be. The question is, if all the other industries in the United States brought as little revenue to the Federal Government as the paper business does, in proportion to the volume of business, then the revenue derived from the tariff would be infinitesimal, almost; it would hardly be worth considering?
Mr. HASTINGS. How about the things we import that go into paper?
Mr. CLARK. That is just it. Is there a prohibitive tariff on what you use?
Mr. HASTINGS. Prohibitive as far as we are concerned.
Mr. CLARK. There is no revenue hardly comes into the Government from the paper business?
Mr. HASTINGS. There seems to be

Mr. CLARK. Well, how much?

Mr. HASTINGS. Fifteen per cent or 20 per cent on practically $20,000,000 of imports during the year 1907.

Mr. CLARK. There was $20,000,000 of paper imported that year; how much last year?

Mr. HASTINGS. That is the year ending June 30, 1907; I have no figures after that.

Mr. CLARK. It amounted to about $196,000.

Mr. HASTINGS. The income to the Government?

Mr. CLARK. Yes, sir.

Mr. HASTINGS. It must have been over that.

Mr. CLARK. Do you not think that you could stand a shaving down of one-half of this tariff so that the Government could get some revenue out of this business?

Mr. HASTINGS. No, sir.

Mr. CLARK. If everybody else reasoned that way where would the Government get its revenue?

Mr. HASTINGS. From some of the luxuries, I imagine.

Mr. CLARK. On luxuries. If we put the price up on luxuries so we keep them out we would not get any revenue on luxuries?

Mr. HASTINGS. They are pretty well up.

Mr. CLARK. You are a man a good deal above the average of intelligence——

Mr. HASTINGS (interrupting). I thank you.

Mr. CLARK (continuing). And you have a packed audience who laugh at anything you say.

If the rate is so high that it shuts out the stuff, the Government does not get any revenue?

Mr. HASTINGS. Certainly not.

Mr. CLARK. And if all these other tariff schedules were as high in proportion as this one is the Government could not get enough revenue out of the whole tariff system to run for a month?

Mr. HASTINGS. You make the statement and I am not going over your figures.

I wish to say that I am the representative of a lot of manufacturers. You speak of a "packed audience." There are a number of other manufacturers here. I understand Mr. Norris represents all the publishers in the United States.

Mr. CLARK. Mr. Norris happens to be one man as against the crowd here.

Mr. HASTINGS. He has the combination of newspapers back of him.

Mr. CLARK. They do not happen to be here.

Mr. HASTINGS. They are represented by one man.

Mr. CLARK. You think that the uniform price of paper in the United States is an accidental occurrence?

Mr. HASTINGS. There is no uniformity of price, as far as I know.

Mr. CLARK. Do you not know that that is practically the case?

Mr. HASTINGS. No, sir; I do not know that that is practically the case.

Mr. CLARK. That is all. I can not hope to get much information from you.

Mr. HASTINGS. I am ready to answer any questions, Mr. Clark.

Mr. RANDELL. How much does it cost to make this news print paper?

Mr. HASTINGS. The cost is different at different mills.

Mr. RANDELL. How much does it cost in the mills you operate?

Mr. HASTINGS. I can not tell you offhand to the cent, but I refer you to my testimony before the select committee which is printed where the cost per pound is given by decimals.

Mr. RANDELL. I care nothing about the decimals, I want to get at the facts. How much does it cost on an average to make news print paper?

Mr. HASTINGS. Perhaps at this time—it depends upon whether a man has his own wood or has to buy his wood pulp.

Mr. RANDELL. Do you really want to tell me the cost?

Mr. HASTINGS. I would like to know when you want the cost.

Mr. RANDELL. If you were to sell paper at so much f. o. b. mills, what would be the average price of that paper now?

Mr. HASTINGS. To-day?

Mr. RANDELL. Yes, sir.

Mr. HASTINGS. At my mill it would probably cost 2⅛ cents. At another mill it might cost more than that.

Mr. RANDELL. A little over $40 a ton?

Mr. HASTINGS. Yes, sir.

Mr. RANDELL. That is the paper you sell for $55 or $60 a ton?

Mr. HASTINGS. Yes, sir.

Mr. RANDELL. And the cost you named to me is all the expense, and the balance would be profit?

Mr. HASTINGS. That is not so. Do you want to know what we figure the cost of paper, what we figure for depreciation on the plant and the interest we have invested?

Mr. RANDELL. Not counting any depreciation on the plant.

Mr. HASTINGS. How are you going to arrive at the cost? Who is going to pay for the depreciation?

Mr. RANDELL. What I want to get at is the difference in the cost of manufacture, the daily or monthly output, and the price that you get for the product.

Mr. HASTINGS. I do not think that is a fair question because what we get to-day might be an entirely different proposition next month.

Mr. RANDELL. Outside of the depreciation and value of your plant, would the $40 a ton represent what that paper cost you now, the paper which you sell for $55 or $60 a ton?

Mr. HASTINGS. Less the freight and cartage.

Mr. RANDELL. There is no freight about it, it is delivered f. o. b.?

Mr. HASTINGS. I was not giving you the price delivered on board.

Mr. RANDELL. I said f. o. b.?

Mr. HASTINGS. You are coupling the cost price with the delivery price, without making any allowance for freight.

Mr. RANDELL. Do you mean to say that you did not give the price at the mill?

Mr. HASTINGS. The price at the mill and also the price delivered, but where is the freight coming in?

Mr. RANDELL. Did you not say that the price that the paper cost you f. o. b. at mill was 2.2 cents?

Mr. HASTINGS. Two and one-eighth cents.

Mr. RANDELL. Did you not state that it was all profit, except what would be the deterioration in the value of the plant? You did not say anything about freight?

Mr. HASTINGS. You did not say anything about the selling price.
Mr. RANDELL. You would have no freight to pay if this was f. o. b.?
Mr. HASTINGS. Then we did not get $55.
Mr. RANDELL. How much did you get?
Mr. HASTINGS. Probably $50.
Mr. RANDELL. What is the price?
Mr. HASTINGS. Fifty dollars.
Mr. RANDELL. That would make a difference of about $15?
Mr. HASTINGS. Yes, sir; $7 or $8.
Mr. RANDELL. What was the price a year ago or fifteen months ago?
Mr. HASTINGS. The price was about the same, a little less, if anything, but in the interim it was lower.
Mr. RANDELL. It is higher now than before the panic?
Mr. HASTINGS. It is about the same, a little higher, if anything, than before the panic.
Mr. RANDELL. What caused it to go up?
Mr. HASTINGS. The law of supply and demand.
Mr. RANDELL. What caused it to go down?
Mr. HASTINGS. The same reason.
Mr. RANDELL. There was no demand for it?
Mr. HASTINGS. Exactly.
Mr. RANDELL. I thought that the newspaper people were complaining that they could not get paper unless they paid $10 a ton more for it. Was it the great demand that made it go up $10 a ton?
Mr. HASTINGS. Yes, sir; certainly.
Mr. RANDELL. Where was that demand, in the United States?
Mr. HASTINGS. Yes, sir.
Mr. RANDELL. Was that a sudden demand?
Mr. HASTINGS. It was a gradual, growing demand.
Mr. RANDELL. Was there anything extra in the cost?
Mr. HASTINGS. The cost went up somewhat.
Mr. RANDELL. What was there in the cost of production that made the price of your paper go up?
Mr. HASTINGS. Labor particularly.
Mr. RANDELL. How much higher is your labor now than fifteen months ago?
Mr. HASTINGS. I will not say that there is very much difference in the cost of labor, but when we went from the two-tour to the three-tour system then our labor cost went up.
Mr. RANDELL. When was that?
Mr. HASTINGS. In January, 1907.
Mr. RANDELL. You say that there is no understanding throughout the United States or among any of the mills that you know about or in the association which you are president of—that there is no understanding to keep up the price and to have a uniformity of price?
Mr. HASTINGS. No, sir.
Mr. RANDELL. Or any division of territory?
Mr. HASTINGS. No, sir.
Mr. RANDELL. Do I understand that you do not know of any such thing or that it does not exist?
Mr. HASTINGS. I do not believe it exists. Our association has nothing to do with it in any event. All the men who make paper do not belong to our association.

Mr. RANDELL. Do you think there is any chance for competition to come in, any reasonable business chance, which would reduce the price of this paper that you say the demand caused to rise, if the tariff remains as it is now?

Mr. HASTINGS. Yes, sir; it has in the past.

Mr. RANDELL. Where?

Mr. HASTINGS. There is one mill in construction in Minnesota with a capacity of 200 tons a day with a promise to the prospective buyers of bonds and stocks that they can within six months or a year double the capacity. That is in the United States under the protective tariff. I do not believe that they could sell the stocks and bonds if you took the tariff off.

Mr. RANDELL. How did you find that out?

Mr. HASTINGS. That is public property; it has been in the papers.

Mr. RANDELL. Has it any connection with your mills?

Mr. HASTINGS. No, sir.

Mr. RANDELL. That would be an increase of 400 pounds as against 3,500 pounds a day now?

Mr. HASTINGS. Yes, sir; practically 10 per cent.

Mr. RANDELL. Will that, in your opinion, cause the price to go down?

Mr. HASTINGS. It has always had a lowering effect.

Mr. RANDELL. Do you think that when that mill goes into operation the effect will be to reduce the price $10 a ton?

Mr. HASTINGS. It will have a lowering effect. I will not state any amount, because I do not know. It depends on whether the market absorbs the product.

Mr. RANDELL. Does it cost more to make the paper now?

Mr. HASTINGS. Yes, sir.

Mr. RANDELL. Why?

Mr. HASTINGS. I have tried to explain that.

Mr. RANDELL. Is the stumpage higher?

Mr. HASTINGS. We have not any stumpage.

Mr. RANDELL. Have you any timber lands?

Mr. HASTINGS. No, sir. We buy the wood. We have a small mill compared with some of the other mills.

Mr. RANDELL. You represent this association, but you only have a few mills yourself?

Mr. HASTINGS. Only one mill.

Mr. RANDELL. Do you think that if the revenue was increased by lowering this tariff that it would injure your business?

Mr. HASTINGS. Yes, sir; it would.

Mr. RANDELL. Suppose we cut the tariff in two, what effect would that have?

Mr. HASTINGS. Three dollars a ton is more than a mill of our class has made on an average in ten, fifteen, or twenty years.

The CHAIRMAN. Are you a practical paper manufacturer?

Mr. HASTINGS. Yes, sir; I think I am, sometimes.

The CHAIRMAN. You claim that a duty equivalent to about 15 per cent is necessary for the protection of the American manufacturer?

Mr. HASTINGS. Yes, sir; I do.

The CHAIRMAN. I want you to give me the facts, showing why that duty is necessary.

Mr. HASTINGS. In written shape, you mean?

The CHAIRMAN. I would like to have them "right off the bat" and now.

Mr. HASTINGS. I would rather give you that data a little later than to give it in such shape that I might be picked to pieces here.

The CHAIRMAN. You are not prepared to give it now?

Mr. HASTINGS. I would rather not. I would rather submit it to the committee.

The CHAIRMAN. Have you that information in written shape now?

Mr. HASTINGS. No, sir.

The CHAIRMAN. You will put it in a brief and file it with the committee?

Mr. HASTINGS. Yes, sir.

The CHAIRMAN. As far as I am concerned, I am more interested in that question than any other. I want to know why the protection is necessary.

Mr. HASTINGS. I will be very glad to give you that information. In a general way I have stated that in this brief which I will file, but if we are going to get into a tariff argument I do not want to stand up here and be picked to pieces by gentlemen who know more about it than I do.

Mr. CLARK. Do you really think that there is anybody in this room who knows more about the paper business than you do?

Mr. HASTINGS. I think you know more about the tariff.

Mr. CLARK. In a general way that may be, but you have a particular part of the tariff to talk about that you know more about than I do.

The CHAIRMAN. Is there anyone here to give that information?

Mr. HASTINGS. Yes, sir; a gentlemen will follow me who can give that information.

Mr. GRIGGS. The importations of print paper last year are given 21,123,254 pounds, value, $596,819, and the duty paid $96,000. The exportations, you understand, which we have been discussing here, were 120,090,056 pounds, with a value of $3,514,281. Will you tell me why it is that we are able to export in competition with the foreign concerns?

Mr. HASTINGS. Is that pounds?

Mr. CLARK. Dollars.

Mr. HASTINGS. Under what heading is that?

Mr. GRIGGS. "Exportations of printing paper."

Mr. CLARK. It is a government document.

Mr. HASTINGS. I know that I have never run across such figures and such a discrepancy; I do not understand it.

Mr. GRIGGS. You can not explain that?

Mr. HASTINGS. No, sir.

Mr. GRIGGS. We sent 48,000,000 pounds to the United Kingdom; 18,000,000 pounds to Japan; 12,000,000 pounds to Argentina; 6,000,000 pounds to Canada, the place you seem to be so much afraid of; 8,000,000 pounds to Australia, Tasmania, and New Zealand; 6,000,000 to Chile; 7,000,000 to Cuba, and more than a million pounds to Uruguay and Mexico each. Do you not think that pretty well covers the world?

Mr. HASTINGS. Yes, sir. I think we would cover the whole world if you would give us more protection.

Mr. GRIGGS. Do you not think that you have covered it pretty well now?

Mr. HASTINGS. We are doing very well, but we could do better. We have lots of nerve; the trouble is we have not enough money.

Mr. CLARK. The chairman asked you about the various items that made up this cost so that you required this 15 per cent duty to enable you to come out as you have come out; whether that is in the hole or not, I will not undertake to say now. That is one phase of this matter. Another one is that the Treasury is running behind at the rate of about $12,000,000 a month——

The CHAIRMAN (interrupting). You have not the latest information. The condition has improved.

Mr. CLARK. If it has improved, I am glad of it.

The CHAIRMAN. Business is improving.

Mr. CLARK. Business has not improved except in the newspapers.

The CHAIRMAN. We will soon have a surplus.

Mr. CLARK. There is a large deficiency in the revenues; whether it is as large as I stated or as little as the chairman makes it, does not make any difference. We have got to make up that deficiency somewhere. That is one of the functions of this committee. Do you not think that the paper manufacturers in the United States ought to be willing to stand their part of whatever hardship it is to raise this deficiency in the revenues like everybody else has to stand their part? What do you say, as an American citizen?

Mr. HASTINGS. I say that we are paying our part.

Mr. CLARK. But you are not doing anything, according to these figures that Mr. Griggs has just read to you, because there has only been contributed $196,000.

Mr. HASTINGS. I do not understand that. In the first place, if we import $20,000,000 worth of paper on a basis of 15 per cent, I do not understand why it would not be over $196,000.

Mr. CLARK. If it is over $300,000, that is a small amount. You are not willing to stand any reduction in the tariff, according to your present attitude.

Mr. HASTINGS. We say that we are standing something now; we are standing it on the materials that go into the manufacture of paper.

Mr. CLARK. What is the difference between the American price of your paper and the foreign price—$10 a ton?

Mr. HASTINGS. No, sir; I do not think it is.

Mr. CLARK. Do you not sell the same paper which you sell to the American consumer at $55 and $60 a ton in Europe at $45 and $50 a ton?

Mr. HASTINGS. No, sir.

Mr. CLARK. Now, as a matter of fact, do you export paper?

Mr. HASTINGS. I have in the past, but not of late years.

Mr. CLARK. What is the difference between the selling price in Europe of American news paper and the selling price in America?

Mr. HASTINGS. I do not think there is any difference.

Mr. CLARK. Do you want to stand on that question?

Mr. HASTINGS. I do, as far as the American paper is concerned.

Mr. CLARK. According to your figures, you make a net profit of $8 on every ton of paper you manufacture?

Mr. HASTINGS. We do to-day, but not yesterday.

The CHAIRMAN. You are making more than a year ago?

Mr. HASTINGS. No, sir.
Mr. CLARK. Then the panic has not hurt you a particle?
Mr. HASTINGS. I do not know how you can say that.
Mr. CLARK. If you are making as much profit now as then?
Mr. HASTINGS. How about six months ago; you make a big jump in a year?
Mr. CLARK. We have been measuring things here by common consent by the year.
Mr. HASTINGS. But the question has been put to me what it was to-day and nothing was said about what it was six months ago.
Mr. CLARK. How much profit were you making on a ton of paper a year ago?
Mr. HASTINGS. About the same amount.
Mr. CLARK. And how much about six months ago?
Mr. HASTINGS. We were selling paper six months ago at 2¼ cents.
Mr. CLARK. How much is that a ton?
Mr. HASTINGS. Forty-five dollars.
Mr. CLARK. And it was $55 a year ago?
Mr. HASTINGS. Fifty dollars to $55. Of course there are different grades.
Mr. CLARK. I know.
Mr. HASTINGS. The price is $2.50, or $50 a ton, for something that Mr. Norris might use in the Times and $55 for the same paper to some little fellow out in Squeedunk, the difference in the price being the actual difference in the cost.
Mr. CLARK. The fellow out in Squeedunk would be considered a retail buyer?
Mr. HASTINGS. It costs us more to produce the paper and put it up in bundles and wrap it.
Mr. CLARK. That is practically the retail trade; that would not be the case with Mr. Norris?
Mr. HASTINGS. If Mr. Norris was to say that he wanted his paper all in sheets and bundles we would charge him $5 more.
Mr. CLARK. I am trying to get some information, although it is pretty hard to do.
Mr. HASTINGS. I want to set myself right. I am perfectly willing to answer all the questions I can, Mr. Clark.
Mr. CLARK. You got $55 a ton practically a year ago?
Mr. HASTINGS. Yes, sir.
Mr. CLARK. And you got $45 six months ago?
Mr. HASTINGS. Yes, sir; and it has gone up to $55 again.
Mr. CLARK. What made it go up?
Mr. HASTINGS. The law of supply and demand.
Mr. CLARK. There is not any more demand for news paper now than six months ago?
Mr. HASTINGS. There is less being made.
Mr. CLARK. How did that happen?
Mr. HASTINGS. God shut off the rain in most parts of the country.
Mr. CLARK. You did not have any drought in the East.
Mr. HASTINGS. Yes, sir; a very serious one.
Mr. RANDELL. Your mill is located at Niagara Falls?
Mr. HASTINGS. Yes, sir.
Mr. CLARK. Was there any scarcity of water at Niagara Falls?
Mr. HASTINGS. That is the reason we are making a little profit.

Mr. CLARK. You get $8 profit, according to your own statement?
Mr. HASTINGS. Roughly; yes, sir.
Mr. CLARK. How often do you turn your money over in this business; every twelve months?
Mr. HASTINGS. In a year and a half on the average.
Mr. CLARK. You turn it over once in a year and a half?
Mr. HASTINGS. Yes, sir.
Mr. CLARK. How much is your company capitalized for? You do not need to answer that question if you do not care to.
Mr. HASTINGS. I have no hesitancy about answering the question; $100,000.
Mr. CLARK. How much of that is money paid in and how much of it is water?
Mr. HASTINGS. One hundred thousand dollars paid in, good, hard cash.
Mr. CLARK. How much stock issued for the $100,000?
Mr. HASTINGS. One hundred thousand dollars.
Mr. CLARK. How much of a dividend do you pay?
Mr. HASTINGS. We paid one year as high as 24 per cent dividend.
Mr. CLARK. That is a pretty fair profit?
Mr. HASTINGS. Yes, sir. We have more money invested than $100,000. You did not ask me about that.
Mr. CLARK. That is what I want to get at. How much money have you got invested?
Mr. HASTINGS. We have between $400,000 and $500,000.
Mr. CLARK. And you make 24 per cent?
Mr. HASTINGS. One year we did.
Mr. CLARK. That would tide you over two or three bad years?
Mr. HASTINGS. On $500,000 it is less than 5 per cent.
The CHAIRMAN. The dividend was 24 per cent?
Mr. HASTINGS. Yes, sir.
The CHAIRMAN. On what amount?
Mr. HASTINGS. One hundred thousand dollars.
Mr. CLARK. The dividend was 24 per cent on $100,000?
Mr. HASTINGS. Yes, sir.
Mr. CLARK. How much have you invested?
Mr. HASTINGS. Nearly $500,000.
Mr. CLARK. What is it invested in?
Mr. HASTINGS. Buildings and machinery.
Mr. CLARK. The whole thing?
Mr. HASTINGS. No, sir.
Mr. CLARK. You do not own any timber lands?
Mr. HASTINGS. No, sir.
Mr. GRIGGS. Why did you capitalize the company at $100,000?
Mr. HASTINGS. It is a sort of a closed corporation. A few people put up the original $100,000 invested. Then we went on and doubled the plant and paid for that out of our own pockets, paid ourselves back, and we still have $100,000 left.
Mr. UNDERWOOD. You really acquired this additional surplus out of your earnings?
Mr. HASTINGS. Yes, in twenty years or more.
Mr. CLARK. You did get it out of the earnings?
Mr. HASTINGS. We have. But there were a good many years that we did not pay a dividend.

Mr. CLARK. You had some misunderstanding about what the basis is. As the basis of profit you ought to take the amount of money you paid in; ought you not?

Mr. HASTINGS. Yes, sir.

Mr. CLARK. Then you ought to mark off, if that is the proper term, whatever depreciation there is on your plant?

Mr. HASTINGS. Yes, sir.

Mr. CLARK. And then you ought to add the labor cost, and the cost of material, and the transportation charges, so as to get it f. o. b., and then you ought to subtract what that would cost you from what you get out of the stuff ultimately, and that is what you calculated or declared a dividend on?

Mr. HASTINGS. I do not follow your bookkeeping exactly, but in a general way I think you have got it all in. [Laughter.] In a general way we charge off everything, and if there is anything left we call it a dividend.

Mr. GRIGGS. You do not lay aside any property for the surplus fund?

Mr. HASTINGS. In answer to the question, it is merely a question of so much money that we have got invested in that mill that we did not take out in profits, some that we were entitled to take out; and we were surely entitled to profits at some time.

Mr. GRIGGS. You said you took out $24,000.

Mr. HASTINGS. Yes; in one year.

Mr. GRIGGS. And in addition to the profits you have taken out as dividends you have a surplus of $400,000?

Mr. HASTINGS. Yes; but that is the aggregate of a number of years. That is not for one year. We did not accumulate that in one year.

Mr. GRIGGS. I am not as big a fool as I look like.

Mr. HASTINGS. I did not take you to be one. [Laughter.]

Mr. CLARK. Have you any data as to any manufacturing concern in the United States engaged in any sort of business that is making more than 5 per cent?

Mr. HASTINGS. Yes, sir.

Mr. CLARK. I would like to know where it is.

Mr. HASTINGS. I live in Niagara Falls part of the time and part of the time in New York. We have at Niagara Falls the Shredded Wheat Company. We make these hay biscuits [laughter], and I was fortunate enough to save a little money at one time, and I have got some stock in that, and I know we pay that. That is one concern that I know of.

Mr. CLARK. I have been diligently searching among all these fellows that have come here to find one fellow who has made a reasonable profit.

Mr. HASTINGS. I think the manufacturers of paper are entitled, as other manufacturers are, to a reasonable profit.

Mr. CLARK. I know, but I have been searching, I tell you, since these hearings began to find some one who was making a reasonable profit.

Mr. RANDELL. Did you say you make $8 a ton profit?

Mr. HASTINGS. To-day from $8 to $9.

Mr. RANDELL. And you make 40 tons a day. That would be over 10,000 tons a year, or $80,000 profit a year, and at that you would be making 20 per cent profit.

Mr. HASTINGS. No; you are taking one period and then jumping a number of months out of that period.

Mr. RANDELL. If you were in the same condition as a year ago, my figures would be correct.

Mr. HASTINGS. In two months from now the condition might be entirely different, possibly. The price of wheat to-day and the price six months ago and the price six months from now may be different you know.

Mr. RANDELL. Were the conditions favorable in 1906?

Mr. HASTINGS. Yes, sir.

Mr. RANDELL. How much less did you make then? Did you make $7.50 or $8.50?

Mr. HASTINGS. No.

Mr. RANDELL. Six dollars and fifty cents?

Mr. HASTINGS. No.

Mr. RANDELL. Five dollars?

Mr. HASTINGS. I do not think so. I think my report, however, shows exactly what we did make, which was proven by figures. There are no secrets about it. If you gentlemen, as I suppose you will, are going to run over these figures which are given from time to time in the different investigations of the select committee, you will get information that I swear we did not know ourselves about our neighbors.

Mr. GRIGGS. I do not intend to confine you to a day or an hour or a week or a particular month. How long have you been in the paper business?

Mr. HASTINGS. About twenty years.

Mr. GRIGGS. And you have made in twenty years $400,000 surplus. That makes $20,000 a year on $100,000. That is 20 per cent, because you must admit that that is property, is it not?

Mr. HASTINGS. No, sir. It is on leased ground, this plant is.

Mr. GRIGGS. But it is worth that to you?

Mr. HASTINGS. No, sir.

Mr. GRIGGS. You say you have $400,000 or more invested?

Mr. HASTINGS. Yes. It may be permanent, and——

Mr. GRIGGS. It is in there?

Mr. HASTINGS. Yes; it is in there, but we could not get it out. I would say frankly to you we are on leased ground. It is on one of the great power companies there. It is on a very low-priced water power—lower than we could get it ourselves. Otherwise we are handicapped there by being away from the forest, and as a matter of fact it is doubtful at the end of a ten or fifteen year lease what shape it will be in.

Mr. GRIGGS. When is your lease up?

Mr. HASTINGS. In 1926. It is not very far off.

Mr. GRIGGS. Whether you have gotten your money out or not, you have made that money and put it in it?

Mr. HASTINGS. Yes; but we have not got it out.

Mr. GRIGGS. That is a question of business judgment, not of tariff.

Mr. HASTINGS. I do not know about that. We would not have accumulated that if we had not had a tariff.

Mr. GRIGGS. And you accumulated, in addition to that, as I believe you told Mr. Randell, an average of 5 per cent?

Mr. HASTINGS. No. I do not think I said that. I said I did not think we have made an average of 5 per cent.

Mr. GRIGGS. I did not mean what you have made, but what you had paid in dividends.

Mr. HASTINGS. I said in answer to Mr. Clark that it was less than 5 per cent of the money we have invested.

Mr. GRIGGS. You are not counting the $20,000 you made every year and put in this, which in itself is 20 per cent. Then in answer to Mr. Clark you said you have made 5 per cent—"probably 5 per cent," to use your exact language—on the money you had invested, which was $500,000.

Mr. HASTINGS. That was the year we paid that dividend.

Mr. GRIGGS. What is your average on your investment?

Mr. HASTINGS. I could not tell you offhand. I have brought my books down here and given them a transcript from them.

Mr. GRIGGS. You put a little in that Havenner Biscuit Company, did you not?

Mr. HASTINGS. No, sir. I got out of that and put it into the shredded wheat. I am county treasurer up in that county.

Mr. BOUTELL. How many paper mills, Mr. Hastings, are there in the country, altogether?

Mr. HASTINGS. There are, roughly, of all classes something like 600.

Mr. BOUTELL. How many of these are in the organization of which you are president?

Mr. HASTINGS. I think the last report I had was 157 mills and individuals.

Mr. BOUTELL. So that there are 443 mills or manufacturers that are not in the association?

Mr. HASTINGS. Yes, sir.

Mr. BOUTELL. Of these 443, are any of them in any other association?

Mr. HASTINGS. There is no other paper association except this, except that of the stationers.

Mr. BOUTELL. How is it as to the International Paper Company and the American?

Mr. HASTINGS. They have one membership in it, just as I might have.

Mr. BOUTELL. They are one of the 443?

Mr. HASTINGS. No, sir; they are one of the 157. They are members of this association.

Mr. BOUTELL. You have given the entire domestic production of paper. Can you tell by a proportion of the paper output how many of these mills own their own lands from which they get their materials?

Mr. HASTINGS. No, I could not. They make no report.

Mr. BOUTELL. Do you know if that appears in any of these papers?

Mr. HASTINGS. I believe the paper that will be read by Mr. Lyman, who replies for the International Paper Company, will have a lot of information in it that I have not got, but of course they own a good many mills and woodlands.

Mr. BOUTELL. You have to go into the market to buy your pulp wood and your wood pulp?

Mr. HASTINGS. Yes.

Mr. BOUTELL. You do not know how many mills are in that position?

Mr. HASTINGS. No, sir.

Mr. BOUTELL. You do not know what proportion it may be by ratio of output?

Mr. HASTINGS. No, sir. Most of the mills up near Watertown own their own timber lands, whereas at Niagara Falls there is no timber land within easy reach, and we could not operate to advantage with the small amount of wood that we would get, and therefore it is cheaper for us to buy in the open market.

Mr. BOUTELL. What I hope will be brought out in this hearing is the ratio between the paper output and the ownership of stumpage.

Mr. HASTINGS. If anybody could answer that, Mr. Lyman could, who will follow me.

Mr. BOUTELL. Do you know how many of these paper mills there are in Canada?

Mr. HASTINGS. Roughly, I know of the news end of it, because that has always been my business, and I understand it is something like 450 tons of news paper produced there under normal conditions, of which the home market of Canada used 90 tons and the other is 360 tons of export news out of the country, and that is practically all the amount that is raised. There may be other grades used at home in Canada, like wrapping paper and board and things of that kind.

Mr. BOUTELL. So that with the falling off of supplies in this country there will be an increased demand in this country, or if we repeal this duty the natural source of supply of the United States would be Canada?

Mr. HASTINGS. There is no question about it.

Mr. BOUTELL. When we repeal this duty on pulp or paper——

Mr. HASTINGS. When you do repeal it [laughter]——

Mr. BOUTELL. Put it that way. When we do, or if we do; supposing that the duty be repealed on the paper or the pulp, would we receive importations from any other country than Canada?

Mr. HASTINGS. Yes, sir; you would. You would receive shipments from Norway and Sweden, and inside of three years you would receive shipments from the Baltic, in Russia, where at present they are building sulphite mills to use their immense forests with pauper labor.

Mr. BOUTELL. In direct competition with the paper of Canada?

Mr. HASTINGS. Yes, sir.

Mr. UNDERWOOD. On that line I would like to ask you a question. A while ago you answered that if the price of paper to-day was $55 a ton——

Mr. HASTINGS. Of course, a great deal of paper is being sold for less than that on contract.

Mr. UNDERWOOD. Across the line, what is the same kind of paper selling for in Canada?

Mr. HASTINGS. I do not know. Mr. Marcuse may tell you. Some Canadians bought some of us at auction. I think they got $2.25 for it. That is $45 per ton.

Mr. UNDERWOOD. There is a difference in the price of paper to-day or any other day of from $10 to $25 a ton. If the duty was removed

on manufactured wood pulp and news paper, to what extent would it reduce the price in this country?

Mr. HASTINGS. I believe it would reduce the price pretty nearly the amount of the tariff; perhaps half. I say "half" because I happen to know that in the last year, when the price of paper went up here through natural causes, the Canadians thought that the American market was just ripe for their plucking and they came over here and made contracts for several United States papers; but in the contracts it was expressly stipulated that if the duty was taken off by the United States the Canadian was to have half and the American publisher was to have half. In other words, he proposed to divide if the duty was taken off. That is provided in the contract.

Mr. UNDERWOOD. With paper selling at $45 in Canada to-day, if the duty on wood pulp was all taken off at this moment, what would you say would be the price in this country?

Mr. HASTINGS. It would be the same. There is no surplus there.

Mr. UNDERWOOD. The price of paper then to-day would be $55 in this country?

Mr. HASTINGS. Yes.

Mr. UNDERWOOD. How would it be $55 in America or in the United States and $45 in Canada?

Mr. HASTINGS. For the reason that the market price is there. Most of their paper is bought on contract, and the market here for what little I might have to sell would be $55. It would not be within $4 or $5 a ton less.

Mr. UNDERWOOD. As the head of this association, I would like to have you answer a question. I do not care whether you take to-day to do it, or to-morrow, or any particular time, but I want to find out what you think would be the general effect of the reduction of this tariff. Take any day and fix the price of paper of to-day, with the duty on, and tell me what in your judgment the price would be with the duty off?

Mr. HASTINGS. That, as I gather, was about what the chairman wanted me to do.

Mr. GRIGGS. And give the reasons.

Mr. UNDERWOOD. Can you tell me what would be the difference in price with the duty off in this country?

Mr. HASTINGS. I say to-day I do not think there would be any difference, because there is not any paper to come in.

Mr. UNDERWOOD. If we repealed all duty to-day, the price would be the same?

Mr. HASTINGS. Yes; but what it would be six weeks or a month from now I could not say.

Mr. UNDERWOOD. While you said the general conditions of the trade are there, do you feel that the repeal of this duty would lessen the price of paper in this country or not?

Mr. HASTINGS. I believe it would.

Mr. UNDERWOOD. To what extent?

Mr. HASTINGS. Practically, as I said a few moments before, half of the duty, or about $3 a ton, because the Canadian demands half of it in the contracts which he did make last year in this country.

Mr. UNDERWOOD. Then if paper under the duty was selling at $55, it would sell for $51.50 with the duty off?

Mr. HASTINGS. It would be $52.50. That is, on your basis of figuring.

Mr. UNDERWOOD. You think it would sell on the basis of $52.50?

Mr. HASTINGS. Yes. But as I say, I would not go into a tariff discussion here on that, but I will be glad to submit something at the chairman's suggestion.

Mr. GRIGGS. Does the price in Canada go down in Canada when it goes down here? When it was $45 a ton six months ago here was it then $45 a ton in Canada?

Mr. HASTINGS. I do not know. Really it does not come into this market.

Mr. GRIGGS. They export to England?

Mr. HASTINGS. They can get in there without a tariff. But take off the tariff wall here—and we are right across the border from Canada—next door—and we will get it on account of the freight rates.

Mr. GRIGGS. If we take off this duty would your mill be for sale?

Mr. HASTINGS. Yes. It is for sale now if anybody wants it. In reply to the publishers' accusation, I must say they are utterly foolish, if they have the money that they are reputed to have made in their own business, in not having gone into the paper business. They ought to build mills. What is the use of getting out in the middle of the road and hallooing when they have a chance to remedy their own condition?

Mr. UNDERWOOD. The freight rates are heavy?

Mr. HASTINGS. Yes, sir.

Mr. UNDERWOOD. What advantage has the American mill over the Canadian mill in the matter of freight rates?

Mr. HASTINGS. Very little.

Mr. UNDERWOOD. Is not the American mill nearer to the Canadian market?

Mr. HASTINGS. Very little nearer. I have in my brief here the different freight rates from Canadian mills and from several American mills. You can judge for yourselves.

Mr. UNDERWOOD. What would you estimate the difference to be?

Mr. HASTINGS. I should say not over 2 per cent.

Mr. UNDERWOOD. Figure that in tons.

Mr. HASTINGS. From my mill to New York or to Boston it would be 15 cents. That is an even figure. From Chisholm, Me., to Boston it is 17 cents. They do not give the rate from the Canadian mills to Boston, but here is New York, 18 cents. That would be a dollar a ton, roughly, on that one shipment from Grand Mere, one of the large mills in Canada, to New York.

Mr. UNDERWOOD. In favor of the American manufacturer?

Mr. HASTINGS. In favor of the American manufacturer.

Mr. HILL. Right on that subject, would you not have the disadvantage of having to pay more freight on your pulp wood than the Canadian mill would in bringing your supplies to you?

Mr. HASTINGS. Yes, sir.

Mr. HILL. How would the two things offset each other?

Mr. HASTINGS. The Grand Mere mill absolutely has no freight rate. The river brings its supply to its door.

Mr. HILL. What is your freight rate?

Mr. HASTINGS. Ours is on the average $4 a cord from the average shipping point, if we get it in Canada.

Mr. UNDERWOOD. You do not buy it in Canada?

Mr. HASTINGS. We buy a good deal in the United States, and some in Canada.

Mr. UNDERWOOD. The western paper mills are very much nearer the western markets for the sale of their paper than the Canadian mills are, are they not?

Mr. HASTINGS. Yes.

Mr. UNDERWOOD. What is the differential in their favor on freight rates?

Mr. HASTINGS. I could not answer that, because I do not know.

Mr. UNDERWOOD. It would be considerably smaller than the differential you figured a moment ago?

Mr. HASTINGS. I think it would.

Mr. GRIGGS. If the tariff was taken off everything else, would you be willing to have it taken off paper?

Mr. HASTINGS. Yes; I should say I would, because as a general plea that might answer. But I would not vote for such a proposition, and I am not a tariff shark, either.

Mr. GAINES. What proportion of the print paper does the International Paper Company make in the United States?

Mr. HASTINGS. Forty-three per cent, according to the last statement I saw.

Mr. GAINES. That is less than half.

Mr. HASTINGS. That is less than half.

Mr. GAINES. You were asked about contributing to the tariff duties or revenues of the Government. I see that we imported of wood pulp, mechanically ground and chemically unground and chemically bleached, 477,000,000 pounds, on which a duty was paid of $678,000, in round numbers.

Mr. HASTINGS. I understood from Mr. Clark that we had only paid $200,000.

Mr. CLARK. That was on paper.

Mr. GAINES. On paper, $96,000.

Mr. GRIGGS. On page 561 it is $96,000 as duties on paper.

Mr. GAINES. The duties on wood pulp were $678,000 and something?

Mr. GRIGGS. What page is that?

Mr. GAINES. Page 558. Adding to that $96,000 on print paper, it would make, in round numbers, $770,000 of tariff. You import your wood pulp, do you?

Mr. HASTINGS. We manufacture our own mechanical pulp and buy our sulphite pulp.

Mr. GAINES. Under what rate does that come?

Mr. HASTINGS. Chemical pulp.

Mr. GAINES. How much do you import in a year?

Mr. HASTINGS. We are not importing much of it. We are getting some now from Canada, because of the shortage some time ago, on contracts. Our aim is to buy American pulp.

Mr. GAINES. What is the present price of print paper in New York?

Mr. HASTINGS. Do you mean if a man wants a carload and wants it bad—right away?

Mr. GAINES. For one of the big New York dailies, for example?

Mr. HASTINGS. Their prices are $45 a ton, I understand.

Mr. GAINES. Do you know how much that would be on one single paper?

Mr. HASTINGS. On a paper the size of a New York paper, perhaps the Globe-sized page, or the Staats-Zeitung size, it would be about two and one-half mills. [Laughter.]

Mr. GAINES. I do not happen to know those papers. Say the New York Sun size?

Mr. HASTINGS. That is practically the same size—an eight-page paper.

Mr. GAINES. Suppose the whole amount of tariff was added to the price of print paper. How much would that increase the cost of a single copy of a paper? Assuming that the tariff increases the cost of a paper about the whole amount of the tariff, how much, then, would it increase on that assumption the price of a single paper?

Mr. HASTINGS. Thirty-seven one-hundredths of a mill. [Laughter.]

Mr. GAINES. Then Mr. Norris was right in saying that they probably could not pass it on to the ultimate consumer.

Mr. HASTINGS. I am afraid they could not.

Mr. GAINES. Now take the small country daily. You spoke a while ago about wrapping up bundles for the small papers. At the present price of paper to those concerns, what would it amount to on a single paper?

Mr. HASTINGS. It would be so small that it would be quite difficult to figure it.

Mr. GRIGGS. Would it not be the same as any eight-page paper?

Mr. HASTINGS. No. They are generally smaller, and the country paper is usually printed once a week. It would be the same if the paper was the same size, a weekly paper with a thousand circulation, 2 reams of paper weighing 100 pounds. To the publisher of such a paper it would amount to $15 a year for his whole paper bill, a thousand copies a week, 52 times a year. It would make a difference of about $15 a year if the purchaser paid the whole duty, that is the publisher; and to the consumer it would amount to——

Mr. GAINES. It would amount to that to the publisher for all these papers?

Mr. HASTINGS. Yes, if he paid the duty. The cost of the New York paper was a quarter of a cent, two and one-half mills, for the paper.

Mr. GAINES. I am trying to get at that country newspaper cost if I can.

The CHAIRMAN. It takes about two reams for the country newspaper with a thousand circulation.

Mr. HASTINGS. That is just what I said.

The CHAIRMAN. How much does that weigh?

Mr. HASTINGS. About 50 pounds to the ream.

The CHAIRMAN. A country newspaper man told me it was 30 pounds. Some is heavier than others, I suppose?

Mr. HASTINGS. Yes.

The CHAIRMAN. Fifty pounds to the ream—that would be 100 pounds to an edition, would it not?

Mr. GAINES. You will get me mixed up in my calculations, which will confuse Mr. Hastings. [Laughter.]

The CHAIRMAN. I hope to hear some witnesses on the vital facts of the case.

Mr. GAINES. How much did you say, Mr. Hastings, that that would amount to on a single paper?

Mr. HASTINGS. On a single paper it would amount to thirty-seven one-hundredths of a mill, the duty. [Laughter.]

Mr. CALDERHEAD. It is three-tenths of a cent a pound, is it not?

Mr. HASTINGS. Yes.

Mr. CALDERHEAD. It would take about six of those papers to weigh a pound?

Mr. HASTINGS. More than that.

Mr. GAINES. Will you make a calculation and file it, showing exactly what the increased cost of a single paper would be of the sort we are talking about, on the assumption that the entire duty is added to the cost of the home product?

Mr. HASTINGS. Yes, sir.

The CHAIRMAN. It would take a little less than $10 a year. That is what it would be.

Mr. HASTINGS. On a 50-pound paper it would be $15 a year.

The CHAIRMAN. That would be 5,200 pounds a year. That would be $2.50, and the whole duty would be $15.

Mr. CLARK. You are taking the smallest paper you can find, printed on the flimsiest kind of paper.

Mr. HASTINGS. Are you speaking of the published circulation or the actual circulation? [Laughter.]

Mr. CLARK. About the actual circulation. I used to be in the newspaper business myself.

Mr. HASTINGS. Then I will not argue with you. [Laughter.]

Mr. CLARK. Instead of the average country weekly having but 4 pages, it has 8 pages, and frequently 12 pages, since they have got to running the patent insides and supplements and all that.

Mr. HASTINGS. And in that case, Mr. Clark, it would not cost the publisher $15 more. The additional cost would be on the man who gets out the patent inside.

Mr. GRIGGS. But he has to pay for the paper.

Mr. HASTINGS. Then it would not make any difference to the consumer, the country publisher.

Mr. CLARK. I understood from what you said a while ago that your immense profits are made by adding together all these small things.

Mr. HASTINGS. We have no immense profits.

The CHAIRMAN. I do not think that has any effect whatever. We would like to get at the practical facts of the case.

ARTHUR C. HASTINGS, NEW YORK CITY, SUBMITS BRIEF OF THE AMERICAN PAPER AND PULP ASSOCIATION ASKING RETENTION OF DUTIES ON PAPER AND PULP.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTTE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As president of the American Paper and Pulp Association I have been delegated to present briefly the contentions of manufacturers in paper and pulp as to the retention of the present

duties in most instances and in a general way, an argument as to why they should be increased in some specific cases.

We understand the revision of the tariff is to be undertaken on the basis that—

"Such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries."

We believe the paper industry, as a whole, will be satisfied with such a revision and asks for itself only the same consideration as to protection as is applied to other industries.

Importations of paper and pulp during the last few years should be considered, and if there were some kinds extensively imported that are, or might be made in this country, the corresponding duties should be increased, not only for the sake of the manufacturer, but to build up the manufacturing industries of this country.

We ask only enough protection to enable us to meet such conditions as are imposed on our industry by nature or law, as we can not overcome by capital or energy the natural conditions existing in other countries due to cheap labor and more abundant nature.

We believe that when business is normal and the demand equal to the supply the tariff has little or no direct influence on prices. During times of depression it is a protection to the home manufacturer, but with the present tariff, under any conditions, the rate is not so high but what foreign paper or pulp can be imported into this country to supply the demand without particular hardship to the consumer.

During the past year many thousand tons of the different grades of paper and pulp were imported into the United States and at a time when the consumption of this country demanded it. Since January, 1908, at a time of general depression in all manufacturing lines, the paper business was no exception in its experience, with an apparent overproduction. Prices were very materially reduced over what they had been the previous year, due entirely to the law of supply and demand.

The duties on paper and pulp are much lower than the general average on all other lines. The duty on ground wood pulp, on an ad valorem basis, amounts to about 8½ per cent, according to the market price in vogue; on chemical pulp, about the same; on newspaper, 15 per cent; on book paper, from 15 to 20 per cent, according to grade; on writing paper, 25 to 35 per cent, according to weight and quality. Some few high-grade papers and specialties take a still higher duty, but the average duty on an ad valorem basis on all imports of paper for the year ending June 30, 1907, was only about 27½ per cent, whereas for all merchandise imported under other schedules it was over 40 per cent.

Manufactures of paper imported in 1898 were something like $2,840,000, which increased in 1907 to $10,728,000. During these same periods pulp increased from $600,000 to $6,348,000.

The Treasury Department is unable to give the actual amounts collected on the different grades of paper and pulp imported during any period, but there is no question that if the duty was increased upon the higher grades of chemical pulp the imports would decrease and this same quantity be manufactured in the United States; in

other words, the domestic article would displace the foreign pulps now imported.

This argument will be taken up by one of the members of our association who is thoroughly familiar with the conditions as relating to the higher grades of pulp and the probable results if the duty should be increased to a point where we could compete with the foreign article. When it is known that there are some $300,000,000 invested in the paper and pulp industry, with an annual business of over $200,000,000, showing that it takes a year and a half to turn over the capital, and in some grades nearly three years, it will readily be seen that this business, as compared with many other manufacturing lines, requires more capital for its annual business and therefore needs more profit in the way of returns on the manufactured article.

A portion of the press of the United States to the contrary, no manufacturers of paper in this country have made exorbitant profits, and as a matter of fact they have not received an adequate return on the capital invested as compared with any of the staple industries of this country. While the industry has grown enormously, it is due to the energy of the American manufacturer and to the protection afforded the industry by this Government in the shape of a tariff. Should the tariff be reduced, it would strike a blow that would be most serious to this industry and lead to the abandonment of many mills and the ceasing of operations in the way of building new mills.

At the present time there is building a new mill for the production of news paper, with a capacity of 200 tons per day, which will be doubled as soon as the demand warrants. This mill is in the Middle West, with an unlimited supply of raw material, but with the tariff reduced it is very doubtful if capital could be interested in such an enterprise.

The attempt of part of the American publishers to have the duty taken off of paper and pulp during the last session of Congress was a very selfish movement on their part, when it is known that in the last twenty years the price of news paper has been reduced through competition and improved methods of manufacture over 30 per cent, and that where, in the same period of time, the quantity produced per year has increased over 75 per cent, it will readily be seen what a protective tariff has done for the consumer.

Under the present wise policy of this Government this industry can and will maintain the same rapid rate of growth and improvement in methods if protection is not withdrawn. There are abundant water powers, ample supplies of suitable wood and other material to increase the production thousands of tons annually, particularly in the South, where there are many undeveloped water powers, large supplies of suitable wood for the manufacture of paper and pulp, in addition to hundreds of thousands of tons of other materials which are now going to waste, such as cotton-plant stalks and seed delint, flax, cornstalks, and many other fibrous plants.

At the present time the Government is making in this city experiments with cornstalks and from the printed reports so far they promise results that will cheapen some grades of paper over the present method of using wood fiber. It is estimated there are 150,000,000 tons available for this purpose, or 40 times as much as the annual amount of paper of all grades turned out, so that it would seem as

though we still had raw material at our doors for several years to come.

We beg to call your attention to the very exhaustive statement of Arthur D. Little, official chemist of the American Paper and Pulp Association, read at the annual meeting of the association in February, 1908, a copy of which we beg leave to file with the committee.

You will see that the paper manufacturers are fully alive to the important question of raw material supply and are looking and working with a view of obtaining some material which might displace wood eventually through using some material which can be gotten from an annual crop.

In addition to the work which Mr. Little is doing, the Government is also fully alive to the possibilities of some other material. The insular service, through Col. Clarence R. Edwards, is much interested in the question of bamboo as a raw material, which grows luxuriantly in the Philippines and is an annual crop.

The earliest record we have of paper is from the Egyptians, who used papyrus. Since then many different materials have been used, as the necessity of the increasing population of the world needed paper as they became educated, it being truly said that "the consumption of paper is the measure of the people's culture."

After the Egyptian raw material probably came the use of old rags. As the people became more civilized they wore clothes, and these old clothes were made to do their duty in the shape of new paper. Not many years ago the supply of rags became inadequate to supply the demand for paper, then came in straw pulp, made from wheat and rye straw; then came the invention of the present raw material in the shape of mechanical wood pulp, which is so much cheaper than the straw pulp that that process was abandoned. Now there is great fear on the part of a few of the newspaper publishers particularly that the supply of wood is inadequate and that paper and pulp should be put on the free list, so that the markets of the world shall be thrown open as far as the American manufacturer is concerned.

The history of the paper business shows that the American people are well able to cope with any conditions which may confront them, and we firmly believe that before the question of raw material shall become acute other materials will be found to take the place of pulp wood. There are hundreds of thousands of tons of material going to waste to-day which may become a good paper making material as soon as a process is discovered for handling the material cheaply, and this process is sure to come, as all the others have before.

The price of paper has been steadily decreasing for years, and to-day, although the price is higher than it was two or three years ago, the actual figures show that this increase comes from an advance in wages particularly, and material used about a paper mill; not only the raw material, but everything that is used in a mechanical way to run a manufacturing plant.

To-day one of the most successful mills in the United States is equipping a department to use esparto grass, which is to be brought into this country in shiploads from Algiers and made into pulp and paper in this country. This is almost a case of history repeating itself and going back to the Egyptian times, but it only goes to show that the American manufacturer is quite alive to all conditions and possibilities.

With something like four million tons of annual product, the paper industry furnishes to the railroads in the way of freight and raw materials upward of 20,000,000 tons of freight annually. They consume 3,000,000 tons of coal, all from our domestic mines. They sustain a large number of establishments which supply them with machinery and supplies used only in paper mills. They furnish employment directly to over 75,000 men in their plants, and probably 40,000 men in getting out the raw material in the woods and mines, besides indirectly supporting an army of men engaged in supplying them with the material which they use in their manufacturing departments.

For every dollar which the consumer pays for paper it is estimated that nearly 70 cents goes to the wage fund of the country. In many sections of the country they have been the pioneers, building villages, developing power, moving in population to places that have heretofore been waste, necessitating the building of railroads for carrying material and supplies.

From Bulletin 88, issued by the Department of Commerce and Labor, Bureau of the Census, of 1905, we find total water power used in all industries was, roughly, 1,648,000 horsepower, of which the paper and pulp manufacturers used 718,000, or something like 43 per cent of the total amount developed at that period.

The protective tariff that we have been working under has stimulated the building of paper and pulp mills to an enormous extent. Instead of increasing the price to the consumer, it has stimulated overproduction. The price has steadily gone down in twenty years under a protective tariff from 3½ cents a pound down to less than $2 per hundredweight.

During the last year the cost to manufacture has increased considerably both as to labor and as to every article which goes into the manufacture of paper or into the maintenance of the plant.

The contention of the consumer that the manufacturers are reaping an undue profit was thoroughly refuted at the hearings before the select committee in Washington during the last session of Congress, when full reports were made by the paper manufacturers of their increased cost of production. It was shown by tabulating the results of the news mills reporting that the increased cost of production in the last six years was about 35 per cent.

We desire to file with this statement of facts information as to the relative wages paid employees in paper mills in foreign countries as compared with men in the American mills, filling the same positions and doing the same work, under not as good manufacturing conditions as are found in the paper mills of this country. All the mills in the United States having practically been built during a period covered by a protective tariff.

The capital invested in the plants of course is much greater from the fact that everything that has gone into these plants was protected, and it would be very unfair to put a tax upon the manufacturer for every one article which he uses, and then throw his product open to the manufacturers of the world to compete with, with their cheap labor and material.

In going over the schedule of the Dingley tariff, there is no one article in the free list which goes into the manufacture of paper or pulp, or among the articles specified in the reciprocity act of 1897

except the raw material; many of the articles are highly protected, for instance:

	Per cent.
Wool felts	100
Cotton felts	45
Hemp twines	100
Alum	30
Soda ash	25
Wire cloth	35

In addition to a heavy duty on machinery, castings, and many other articles used directly and indirectly in the manufacture of paper.

In addition to Canada a menace is the older countries, who are endeavoring to keep their laborers at home by going into the manufacturing business on a scale never before attempted in those countries. Norway and Sweden are not only able to produce more cheaply on account of labor conditions, but they have ample raw material right at their doors. Russia with her pauper labor and endless forests is going into the manufacture of sulphite pulp on a large scale. How long would it be, with the American market thrown open, before she would also make and send the finished paper in here?

To-day the foreign pulps have taken the place of our own to an extent that is keenly felt by our own manufacturers and has thrown many men out of steady employment.

Some of the lower grades of paper—for instance, building or saturating paper—are made from the lowest grade of rags. The domestic collections do not supply the American mills and large portions are imported from the poorer foreign countries. These rags come in without duty, but should the tariff be taken off this particular grade of paper—it being now only 10 per cent ad valorem—these manufacturers would be forced to discontinue the manufacture of this grade of paper, and as their mills are not capable of making any other grade with profit it would mean their extinction, throwing out of employment thousands of men, not only those actually engaged in the paper mills, but an army of the poorer class of people in all the large cities who collect this lower grade of material, and for which this is the only use. In many cities these refuse rags are gathered by the municipality in sorting plants, and in this way it gives employment to a great many poor people who sort them, thereby giving employment to an almost helpless class of citizens to earn a small living.

There should be in force an antidumping law to protect the American manufacturer, the same as other countries have.

To-day much of the pulp, principally sulphite class, is being put in here at probably lower figures than it can be made for at home, so low that the American manufacturers can not compete.

It would be impracticable to admit print paper and wood pulp free of duty, or even wood pulp, without disturbing the whole paper-making industry.

Raw material in the shape of wood comes in free of duty. Pulp made from this is a large component part of paper. The pulp-making industry has a large capital investment and employs thousands of men and is entitled to protection in the same ratio as paper, as it is not raw material.

It must be remembered that the newspapers have to a certain extent the ear of the American people and they have emphasized un-

duly the quantity of wood being used for paper and pulp, and without investigating the matter or taking steps to enlighten himself on the subject the average reader supposes that we are the ones who are devastating the forests of this country. By referring to the Forest Service and reports of 1906 it is shown that less than 2 per cent of the annual consumption of all kinds of wood is used for pulp, and that a large percentage of that was unsalable for any other purpose than pulp on account of the size and its being limbs and tops of tree, so it is fair to suppose that less than 1 per cent really of the annual consumption is actually used for pulp and paper and much of it would be wasted entirely if it were not used for this purpose.

This same service shows that wood other than spruce is increasing in use very rapidly and that spruce is really being relatively less used than it has been, which confirms our contention that the manufacturer will use what is cheapest and most necessary for the successful operation of his plant.

Reports made by this bureau estimate that we export from this country to foreign countries 5 per cent of the total consumption, while paper-pulp manufacturers use less than 2 per cent. In other words, if we should stop the exportation of lumber, it would more than make up for the amount used in pulp.

There is cut for railroad ties something like 7 per cent of the total cut of lumber. It is estimated that fire wood for domestic service amounts to twenty-five times as much as is used for pulp. So taking these figures, even if they are estimates, they show that the paper man has been criticised for something he is not responsible for. While many of these figures are estimates, the quantities used by the pulp man can be better checked as to quantity than any other use, as it is pretty well known how much wood it takes to make a ton of pulp or paper and how much of these two commodities are used per year.

The value on the importation of wood into this country on a certain valuation in 1907 was, roughly, $2,800,000. The exports of forest products for the same period was $33,000,000.

The average freight rate from Canadian mills to the markets of the United States is about the same as it is from the shipping points of the American mills to the same markets, thus showing that with no duty to pay they would be practically on the same basis as to cost of delivery.

In 1907 there appears to have been a concerted movement on the part of many Canadians to prohibit by law the exportation of any wood for pulp purposes from the Dominion of Canada. The interviews, as printed by the Globe, of Toronto, from time to time do not show that all producers of lumber were in favor of this action, and we quote from an interview with the Hon. Senator Edwards, head of the W. C. Edwards & Co. (Limited), manufacturers of lumber, who have immense establishments at Ottawa and Rockland, as follows:

The senator favored a policy of making all the forest lands available for operation, and their intelligent working under proper regulations and supervision, as distinct from the idea of some people that the plan to be adopted was the clearing off of the forests as rapidly as possible, with a view to making room for settlement. There was no reason why, under an intelligent system, the forest crop of Canada, as it might be called, should not be everlasting. His company, he said, was going to build in the Gaspe district of the St. Lawrence a pulp mill and lumbering establishment where these ideas would

be carried out to a still more scientific extent than was now the case on their limits. Under the direction of a forester of standing and experience it was intended to show that it would be practicable to keep the establishment going by simply cutting the annual forest growth.

On the other hand, Sir William Van Horne, largely interested in the largest paper-making plant in Canada, at Grand Mere, Quebec, takes the other side of the question, and we quote from his remarks as follows:

Another important American holding in Canada is that of the Burgess Sulphite and Fiber Company and the Berlin Mills Company, of Berlin, N. H. I do not know the extent of the timber limits belonging to these companies, but it is large, and they have acquired the Lachute water power, on the St. Maurice River, for the purpose of a "rossing mill" for barking pulp wood to be shipped to the New Hampshire mills, the barking being done to save the freight charges. The Battle Island Sulphite and Fiber Company, of Oswego, N. Y., also holds limits on the St. Lawrence, the extent of which I do not know. Many paper concerns in the United States, besides those I have mentioned, are buying Canadian pulp wood, ground pulp, and sulphite fiber to eke out their supply. Without the Canadian supply of pulps and pulp wood many of the American mills would have to shut down very soon. If they can not get our pulps or pulp wood they must eventually come to Canada to make paper, and every paper mill established in Canada means a town of from 5,000 to 15,000 people, and a great addition to the wealth of the country.

* * * * * * *

I should not dare to estimate the value of Canada's spruce timber ten years hence if some policy were adopted by the dominion or the provincial governments which would, directly or indirectly, prevent the export of raw wood. The American owners of Canadian limits estimate the possibilities as highly as I do. They do not hesitate to buy Canadian timber limits, because they know that in the event of the adoption in Canada generally of a policy like that of Mr. Hardy's in Ontario, they would profit immensely from their timber holdings. I hold that this tremendously valuable asset should be preserved in every possible way; that the Provinces having timber should regard it as a permanent crop and apply well-considered regulations to the cutting from crown lands, with a view to promoting the growth of the young timber and to the prevention of forest fires, and that the areas reserved for the growth of timber should be carefully marked out and withdrawn from settlement. This would leave an abundance of land available for settlement for a long time to come in all of the timbered districts, for there are everywhere areas which have been either burnt over or cut so clean as to leave no hope of a new growth.

In the Province of Quebec, and perhaps this is true of other Provinces, a real or pretending settler may take up land for farming purposes in any timber limit, and in such a case the owner of the license is given one year within which to cut such timber as the law permits to be cut from crown lands, after which the settler may cut the rest. There is no reason to believe that in the Province of Quebec, if not elsewhere, lands have been so taken by pretending settlers at the instance of jobbers in logs or pulp wood, the settler abandoning the land as soon as he has cut all that he finds worth cutting.

I do not think there would be any danger of retaliation on the part of the United States in the event of some such policy as I have outlined being carried out. I can see no possible ground for retaliation on the part of the United States in view of the precedents which they have themselves established, and I can think of no form of retaliation that would not be much more damaging to themselves than to us, and they are not given to foolishness of that kind. So far as tariffs go, I do not see that they could make them worse, for the Dingley tariff, which is still in force, was framed for the purpose of excluding everything from Canada which the United States did not need, such as timber, pulp wood, ground and sulphite pulp, etc.

We do not agree fully with Sir William, but the fact of free paper and pulp would mean the building of large plants in Canada, which, in the course of a few years, would put the American manufacturer out of business through overproduction and their inability to manufacture cheaper.

The manufacturers of paper and pulp believe that justice will be done to the industry by your committee. We believe the facts brought out by the so-called "Mann Investigating Committee" will be of very great service to your committee in arriving at a conclusion as to what is due to the industry in the United States as a whole. We desire to furnish your committee with any information in our power that you may wish, and shall hold ourselves in readiness at any time to respond to any inquiry you may make, either by letter or in person.

AMERICAN PAPER AND PULP ASSOCIATION,
By ARTHUR C. HASTINGS, *President.*

EXHIBIT A.

MEMBERS OF THE AMERICAN PAPER AND PULP ASSOCIATION.

American Writing Paper Company	Holyoke, Mass.
Ancram Paper Company	New York City.
Bardeen Paper Company	Otsego, Mich.
Bare, D. M., & Co	Roaring Spring, Pa.
Battle Island Paper Company	Fulton, N. Y.
Bedford Pulp and Paper Company	Richmond, Va.
Beckett Paper Company	Hamilton, Ohio.
Bergstrom Paper Company	Neenah, Wis.
Bryant Paper Company	Kalamazoo, Mich.
Berlin Mills Company	Berlin, N. H.
Brown, L. L., Paper Company	Adams, Mass.
Brownville Board Company	Brownville, N. Y.
Brownville Paper Company	Brownville, N. Y.
Burgess Sulphite Fiber Company	Boston, Mass.
Carew Manufacturing Company	South Hadley Falls, Mass.
Carthage Sulphite Fiber Company	Carthage, N. Y.
Carthage Tissue-Paper Mills	Carthage, N. Y.
Central Paper Company	Muskegon, Mich.
Champion Coated Paper Company	Hamilton, Ohio.
Champion-International Company	Lawrence, Mass.
Cheboygan Paper Company	Cheboygan, Mich.
Chemical Paper Company	Holyoke, Mass.
Cherry River Paper Company	Philadelphia, Pa.
Cleveland-Akron Bag Company	Cleveland, Ohio.
Cleveland Paper Manufacturing Company	Cleveland, Ohio.
Cliff Paper Company	Niagara Falls, N. Y.
Columbian Paper Company	Buena Vista, Va.
Combined Locks Paper Company	Appleton, Wis.
Consolidated Water Power and Paper Company	Grand Rapids, Wis.
Continental Paper Bag Company	New York City.
Crane, Z. & W. M	Dalton, Mass.
Crane Bros	Westfield, Mass.
Crane & Co	Dalton, Mass.
Crivitz Pulp and Paper Company	Crivitz, Wis.
Crocker-Burbank Company	Fitchburg, Mass.
Crocker-McElwain Company	Holyoke, Mass.
De Grasse Paper Company	Carthage, N. Y.
Dells Paper and Pulp Company	Eau Claire, Wis.
Dexter, C. H., & Sons	Windsor Locks, Conn.
Dexter Sulphite Pulp and Paper Company	Dexter, N. Y.
Diamond State Fiber Company	Bridgeport, Pa.
Diana Paper Company	Harrisville, N. Y.
Dill & Collins Company	Philadelphia, Pa.

District of Columbia Paper Manufacturing Company	Washington, D. C.
Eastern Manufacturing Company	Bangor, Me.
Eaton-Dikeman Company	Lee, Mass.
Edwards Manufacturing Company, The John	Port Edwards, Wis.
Emerson Paper Company	Wendell, N. H.
Esleeck Manufacturing Company	Turners Falls, Mass.
Everett Pulp and Paper Company	Everett, Wash.
Falls Manufacturing Company	Oconto Falls, Wis.
Finch, Pruyn & Co	Glens Falls, N. Y.
Flambeau Paper Company	Park Falls, Wis.
Fletcher Paper Company	Alpena, Mich.
Flint, Wyman, & Sons Company	Bellows Falls, Vt.
Fox River Paper Company	Appleton, Wis.
Garrett, C. S., & Son Company	Philadelphia, Pa.
Gilbert, Frank, Paper Company	Waterford, N. Y.
Grandfather Falls Company	Merrill, Wis.
Hamilton & Sons, W. C	Philadelphia, Pa.
Hammermill Paper Company	Erie, Pa.
Hampshire Paper Company	South Hadley Falls, Mass.
Hartje Paper Manufacturing Company	Steubenville, Ohio.
Hennepin Paper Company	Minneapolis, Minn.
Hinckley Fiber Company	Hinckley, N. Y.
Hollingsworth & Whitney Company	Boston, Mass.
Hubbard, A. H., & Co	Norwich, Conn.
Ingalls & Co	Castleton, N. Y.
Interlake Pulp and Paper Company	New York City.
International Paper Company	New York City.
Itasca Paper Company	Grand Rapids, Minn.
Jessup & Moore Paper Company	Philadelphia, Pa.
Kalamazoo Paper Company	Kalamazoo, Mich.
Katahdin Pulp and Paper Company	Lincoln, Me.
Keith Paper Company	Turners Falls, Mass.
Kimberly-Clark Company	Neenah, Wis.
King Paper Company	Kalamazoo, Mich.
Knowlton Brothers	Watertown, N. Y.
Lang, John, Paper Company	Philadelphia, Pa.
Lewis, J. P., Company	Beaver Falls, N. Y.
Linddaues Pulp Company	Kaukauna, Wis.
McEwan Brothers	Whippany, N. J.
Mead Pulp and Paper Company	Dayton, Ohio.
Marinette and Menominee Paper Company	Menominee, Mich.
Megargee Paper Mills	Philadelphia, Pa.
Menasha Paper Company	Menasha, Wis.
Michigan Paper Company, The	Plainwell, Mich.
Michigan Sulphite Fiber Company	Port Huron, Mich.
Mittineague Paper Company	Mittineague, Mass.
Monadnock Paper Mills	Bennington, N. H.
Monarch Paper Company	Kalamazoo, Mich.
Moorehouse, R. T	Bridesburg, Philadelphia, Pa.
Mount Tom Sulphite Pulp Company	Mount Tom, Mass.
Munising Paper Company	Munising, Mich.
Nashua River Paper Company	East Pepperell, Mass
Nekoosa-Edwards Company	Port Edwards, Wis.
New Haven Pulp and Board Company	New Haven, Conn.
Newton Falls Paper Company	Watertown, N. Y.
New York and Pennsylvania Company	New York City.
Niagara Paper Mills	Lockport, N. Y.
Nixon, M. & W. H., Paper Company	Philadelphia, Pa.
Northern Paper Mills Company	Green Bay, Wis.
Northwest Paper Company	Cloquet, Minn.
Odell Manufacturing Company	Boston, Mass.
Orono Pulp and Paper Company	Bangor, Me.
Oswego Falls Pulp and Paper Company	Fulton, N. Y.
Oxford Paper Company	Portland, Me.

Parson Pulp and Paper Company	Philadelphia, Pa.
Parsons, W. H., & Co	New York City.
Patten Paper Company	Appleton, Wis.
Peninsular Paper Company	Ypsilanti, Mich.
Penobscot Chemical Fiber Company	Boston, Mass.
Pettebon-Cataract Company	Niagara Falls, N. Y.
Plover Paper Company	Stevens Point, Wis.
Port Edwards Fiber Company	Port Edwards, Wis.
Poland Paper Company	Mechanic Falls, Me.
Progressive Pulp and Paper Company	Plattsburg, N. Y.
Raquette River Paper Company	Potsdam, N. Y.
Raymondville Paper Company	Watertown, N. Y.
Reading Paper Mills	Philadelphia, Pa.
Rhinelander Paper Company	Rhinelander, Wis.
Richmond Paper Manufacturing Company	Richmond, Va.
Rising, B. D., Paper Company	Housatonic, Mass.
Riverside Fiber and Paper Company	Appleton, Wis.
Robertson Brothers	Hinsdale, N. H.
Rogers, J. & J., Company	Ausable Forks, N. Y.
Rogers Paper Manufacturing Company (Incorporated), The	South Manchester, Conn.
St. Croix Paper Company	Woodland, Me.
St. Regis Paper Company	Watertown, N. Y.
Shawmut Manufacturing Company	New York City.
Smith Paper Company	Lee, Mass.
Strange Paper Company, The John	Menasha, Wis.
Taggart Brothers Company	Watertown, N. Y.
Taylor-Burt Company, The	Holyoke, Mass.
Thilmany Pulp and Paper Company	Kaukauna, Wis.
Ticonderoga Pulp Paper Company	New York City.
Tileston & Hollingsworth Company	Boston, Mass.
Traders' Paper Board Company	Bogota, N. Y.
Union Bag and Paper Company	New York City.
United Box Board and Paper Company	New York City.
Victoria Paper Mills Company	Fulton, N. Y.
Wanaque River Paper Company	Wanaque, N. J.
Warren Manufacturing Company	New York City.
Watab Pulp and Paper Company	Sartell, Minn.
Wausau Paper Mills Company	Brokaw, Wis.
Weeks, F. G	Skaneateles, N. Y.
West End Paper Company	Carthage, N. Y.
Weston, Bryon Company	Dalton, Mass.
West Virginia Pulp and Paper Company	New York City.
Wheelwright, Geo. W., Paper Company	Boston, Mass.
Weeks, Charles G	Skaneateles, N. Y.
Willamette Pulp and Paper Company	Oregon City, Oreg.
Wisconsin River Pulp and Paper Company	Stevens Point, Wis.
Wisconsin Tissue Paper Company	Appleton, Wis.
Woronoco Paper Company	Woronoco, Mass.
Worthy Paper Company	Mittineague, Mass.
York Haven Paper Company, The	New York City.

EXHIBIT B.

Rates of wages in foreign and United States mills making high-grade sulphite pulp.

[The wages per week have all been figured on the same number of hours per week. In some instances the wages for Europe have increased somewhat, these men inform us.]

Name.	Present position.	Wages per week.	European position.	Wages per week.	Per cent of American wages.
Albert Engler	Machinist	$16.50	Machinist	$7.50	0.45
Chas. Helwig	Machine tender	14.40	Machine tender	7.50	.52
Frank Kabolnick	Cook	16.80	Cook	5.04	.30
Otto Richert	Reel tender	11.40	Beater man	2.52	.22
Jake Glombowski	Bin trimmer	9.60	do	2.52	.26
Jos. Glombowski	Cook's helper	10.60	Rag cutter	2.60	.25
Martin Zellan	Barker	9.60	Straw cooker	3.60	.38
M. Minkowski	Screen helper	11.40	Watchman	3.00	.26
John Feidler	Cook's helper	10.80	Bleach man	2.70	.25
Albert Seig	Laborer	9.00	Laborer	3.78	.42
Michial Kern	Digester man	12.00	Fireman	5.04	.42
John Ordowski	Laborer	9.00	Laborer	3.75	.42

EXHIBIT C.

Scotch mill as compared with Mechanicsville mills.

[Average pay per two weeks (twelve days).]

	Scotch mill.	Mechanicsville mill.		Scotch mill.	Mechanicsville mill.
Beater men	$20.00	$46.08	Good journeymen	$15.00	$36.00
First assistant	12.50	22.20	Apprentices	6.00	34.20
Second assistant	8.75	22.20	Head firemen	17.50	42.00
Machine men	24.00	56.16	First assistant	11.25	28.80
First assistant	12.75	30.24	Head finisher	20.00	49.20
Second assistant	8.50	27.36	Finishing girls	8.00	15.00
Grass boiler man	17.50	28.80	Tyers up	10.00	.....
Assistant	10.00	21.00	Outside labor	9.00	18.00
Cutter men	18.75	40.20	Supercalender man	17.50	29.04
Assistant	7.50	19.20	Helper	8.00	21.00
Cutter boys	4.00	15.00	Steam engineers	20.00	33.00
Head machinist	30.00	45.00			

EXHIBIT D.

REPORT OF ARTHUR D. LITTLE, OFFICIAL CHEMIST OF THE AMERICAN PULP AND PAPER ASSOCIATION.

Mr. President and Members of the American Paper and Pulp Association:

The year just ended has been an uneventful one in the chemical technology of pulp and paper making and has been unmarked by the appearance of any new chemical process or method of the first importance. The following matters, however, deserve brief mention:

The year has shown an increasing tendency in the sulphite process toward the use of stronger liquors, particularly in Sweden, where liquors carrying 5 per cent or more of total sulphurous acid are being employed to advantage in respect of improved quality of product and a better recovery of gas.

Concurrently with the foregoing there has developed a tendency toward shorter cooks and there is no longer any doubt that pulp of first-rate quality can be produced in a cook of seven hours' total duration or even less. This means, of course, considerably increased output from the same plant.

The year has also witnessed the rapid introduction of new types of sulphur burners of large capacity. These are either of the rotary or agitating types, and by their better control of the air supply permit the workmen to maintain a much higher content of sulphurous acid in the burner gas. Gases containing 16 per cent of sulphurous acid are now not uncommon.

With the more general recognition of the necessity for better control of furnace gas and the advantages derived from a higher content of sulphurous acid, there have come from Europe proposals to utilize the sulphurous acid in the absorption system under a considerable pressure. Harpf points out that under 60 pounds pressure it is easy to dissolve 8.14 per cent of sulphurous acid in water even when no lime is present as against 1.63 per cent for water under the ordinary atmospheric pressure.

An important new departure in the sulphite process is the employment of superheated steam in cooking. This is coming into extensive use in Germany and Sweden and offers a number of important advantages. It saves steam, prevents the undue dilution of cooking liquors, enables the cook to be made in shorter time, and permits the use of weaker liquors than usual in the summer time when it is ordinarily difficult to keep the liquors up to strength. There has been nothing whatsoever to show that either the strength of the fiber or its bleaching quality are influenced at all adversely.

The year has seen some measure of success in the difficult problem of utilizing the waste sulphite liquor. Some inconclusive experiments have been made looking to the employment of the waste liquor for keeping down dust on roads. Considerable progress is to be recorded in the utilization of the concentrated liquor as a binding material, as, for example, for molder's sand, and there is also good promise of the successful utilization of the waste liquors as a supplementary tanning agent.

Perhaps the most significant development of the year has been the introduction to this country through importation of considerable quantities of kraft paper. The manufacture of this paper has been very recently worked out in Sweden through the use of pulp prepared from coniferous woods by a modification of the sulphate process. The wood is somewhat undercooked in a liquor which contains from one-fourth to one-third black liquor from a previous cook. The resultant pulp has a dark but pleasing and characteristic brown color and is used for making paper immediately after washing and without admixture of other stock. As its name implies, the striking quality of kraft paper is its great strength, which renders it available for many special uses of importance. The strength ratio of kraft paper as shown by our tests is about 1.15 as contrasted with about 0.85 for a good quality all-sulphite paper.

The special significance and technical importance of kraft paper is found in the direct evidence it furnishes that the possibilities of all-wood papers have not yet begun to be appreciated. Another cellulose industry, that of fine cotton textiles, has within the last few years been revolutionized as the result of the recognition and utilization of the properties of the cotton fiber substance during treatment with strong caustic soda. I refer, of course, to the process of mercerization as now generally applied to the production of cotton yarns, exhibiting a splendid silky luster. The general trend of development in paper making indicates that it is well within the range of probabilities that an analogous revolution may be impending in the treatment and utilization of chemical wood fiber. The production of kraft papers has shown that a profound variation in the properties of the fiber and a variation along new lines may be established by a minor change in the conditions of the cooking process. Other variations quite as profound are now known to be set up by the hydration of the fiber substance brought about by beating under stone rolls, as exemplified in the production of the transparent pergamyn and glassine papers. This hydration effect, for instance, is unquestionably susceptible of a much wider range of application than it has yet received even in Germany, while in this country it is scarcely utilized at all. The same effect, although brought about by different methods, appears in the curiously parchment-like papers recently produced from the pith cells of both the cornstalk and the waste sugar-cane chips known as "bagasse." In these cases the walls of the pith cells are of such delicacy that the cellulose is hydrated during the purification process of boiling with caustic alkali, and the cell walls are therefore superficially fused together during the process of making and drying the paper. This explains the curious result that a paper of remarkable strength and toughness may be prepared from cells so short and wide that they can not properly be regarded as fibers at all. To this hydration effect upon the pith cells must mainly also be ascribed the remarkable qualities of the bagasse boards now being manufactured in Louisiana by the Lee process, in which the bagasse chips are undercooked in a liquor prepared from saccharate of lime made by mixing lime and molasses with water.

As bearing directly upon the development in this country of new types of paper I may be permitted to point out the desirability of a better recognition here of the merits of stone-roll beating engines and the edge runner or kollergang for working up undercooked pulps for the production of papers of exceptional strength.

The constantly rising price of wood and the growing scarcity of hard-fiber wastes available for paper making have led during the year to a continued and persistent search for new fiber and new sources of supply. Excellent papers standing midway in properties between rag and wood papers have been prepared from corn stalk by cutting out the nodes and slicing off the outer shell to separate the region carrying the fiber from the pith. The shell is reduced to fiber by boiling with caustic soda. The pith, if cooked by itself, yields the parchment-like paper previously referred to, while the entire stalk, except the nodes, yields a rather hard paper of intermediate quality. Papers of generally similar character have been made from bagasse.

The immense quantity of cotton stalks annually available in the South, where, on the average, 22,750,000 tons are each year burned or plowed under or otherwise wasted, has caused this material to be looked upon as a possible source of stock for the lower grades of paper. Several processes for reducing the stalks have been proposed, and attempts to treat the stalks by the sulphite process are now under way in the government laboratory at South Boston. The subject has an especial economic interest in view of the extensive ravages of the cotton boll weevil, the damage from which last year is estimated at $25,000,000. Any method of utilization which would put a value on the stalks sufficient to cause the farmers to cut and remove them from the fields would go very far toward checking the depredations of this insect, and thus save a large proportion of the great sum now lost.

Projects for utilizing peat as paper stock come up perennially, and during the past year an unsuccessful attempt has been made at Celbridge, Ireland, to manufacture paper from this material. I believe it may fairly be said that on account of the shortness and lack of strength and chemical condition of the fibers which have survived decay in peat it is hopeless to expect to make a useful paper from peat without a very large admixture of other stock. Upon the other hand, it does seem to be well adapted to the manufacture of boards of excellent quality, and this manufacture has recently been established in Michigan.

Actuated by a desire to open up new agricultural possibilities for its colonies, and at the same time to supply British paper makers with cheaper raw material, the British Government commissioned the English paper expert, Mr. R. W. Sindall, to make a study of the subject in India and other colonies. In his recent report Mr. Sindall urges the utilization of bamboo and rice straw. It will be remembered that many years ago Mr. Thomas Routledge, to whom the introduction of esparto was due, brought out a monograph on bamboo as a paper stock, and printed the pamphlet on an excellent quality of paper made wholly from bamboo. It should be pointed out, however, that the length and character of fiber in both bamboo and rice straw are such as to preclude the use of these materials as substitutes for the wood of the cone-bearing tree for pulp making.

An important step in the interests of American paper makers has been taken during the year by the United States Government in establishing under the auspices of the United States Forest Service a model sulphite pulp mill and testing laboratory at South Boston, Mass. This laboratory will be quite fully described by Dr. Arthur L. Dean, of the Forest Service, in the convention number of the Paper Trade Journal, and I need therefore only say that there is every prospect that the work of the laboratory will extend the range of usefulness of the wood fibers by demonstrating that many woods besides those now utilized are immediately available for paper making and will yield pulps varying so much among themselves in character as to permit their advantageous use in many different sorts of paper.

In 1884, when the sulphite process was first put in commercial operation in the country, in the mill of the Richmond Paper Company, large quantities of poplar were reduced to pulp by the sulphite process. Sulphite poplar has properties which make it an especially desirable stock, and the market would undoubtedly take a considerable quantity of this pulp if sulphite-pulp makers did not so universally confine their output to the fiber of coniferous trees. It is beginning to be recognized that the southern gum woods and the tupelo are

admirably adapted for the production of sulphite fibers of the general character of sulphite poplar, while the woods themselves are so cheap and available in such great quantity that it is practically certain that sulphite pulp made from them will, before long, be a factor in the industry.

In Germany a new brown pulp has appeared, which stands between steamed ground wood and sulphite in its paper-making qualities. It is made at the plant of Prince Donnersmarck, at Krappitz, by grinding bolts of wood which have been cooked with waste soda liquor.

There has been, during the year, a greatly increased use of special rosin sizes manufactured outside the mill, and these sizes are made by methods which insure a much higher content of free rosin than the usual mill size. This increase in free rosin is unquestionably an advantage, particularly in most cases where snap and rattle are desired in a paper, and it permits a substantial reduction in the amount of alum used. The steady rise in the price of rosin itself has led to the devising of new methods of extraction from stumps and wood previously wasted, and there is good reason to believe that considerable quantities of rosin will be available from these hitherto neglected sources.

The year has seen some notable addition to the literature of cellulose, and among the publications in English should be mentioned "Chapters on Paper Making" by Clayton Beadle, "Paper Technology," by R. W. Sindall, and "Researches in Cellulose 1900–1905," by Cross and Bevan. The two former books will be found helpful by any paper maker. The one last mentioned, while lacking the same general interest, is of the first importance to cellulose chemists and is particularly noteworthy for the radical changes in the theory of cellulose and the method of attack of cellulose problems now laid down by these distinguished chemists, who have done so much to establish the chemistry of cellulose as it is known to-day. They now take a distinctly agnostic position which involves the recognition of current views of the constitution of cellulose as inadequate, and they lay particular stress at this time upon the colloidal character of cellulose as influencing its chemical properties.

It is appropriate at this point to mention the newly organized Verein der Zellstoff und Papier Chemiker, of which your chemist has the honor to be a member. Although the society has its headquarters at Berlin, it is cosmopolitan in its membership and should prove an efficient agent in the development of the chemical technology of pulp and paper making. Another influence in the same direction should come from the new journal, Chemical Abstracts, published by the American Chemical Society, and which will contain, grouped under their appropriate subjects, abstracts of all chemical articles containing new matter wherever published. The subject of cellulose and paper making has been assigned to the reporter.

Considerable work has been carried on during the year in paper testing and the study of special problems in paper making by the United States Bureau of Standards and the recently established Paper and Leather Laboratory of the United States Department of Agriculture. The work will undoubtedly lead to greater definiteness and rigidity in the government specifications for supplies of paper. No report on the results obtained has yet been issued by either bureau.

It becomes increasingly evident that German paper-testing methods, although essential for purposes of research, are not well adapted to the requirements of commercial practice in this country. Testing methods and machines to be generally useful here must yield their results quickly and with a minimum of effort, and for most purposes a reasonably approximate figure which can be secured almost at once is more useful than extreme accuracy obtained at the expense of a disproportionate expenditure of time and labor. In place of the German "breaking length" as a measure of the strength of papers, I have therefore been led to propose and would urge you to adopt what I have called the "strength ratio" of paper—that is, the quotient obtained by dividing the figure for strength in pounds per square inch as registered by the Mullen tester by the thickness in ten-thousandths of an inch, as given by a micrometer. For example, a paper testing 36 pounds on the Mullen machine and which had a thickness of thirty-six ten-thousandths of an inch would have strength ratio of 1,000. A paper of the same thickness testing 18 pounds, would have a strength ratio of 0.500, and so on. The advantage of this way of stating results is that these ratios are fairly constant for papers of the same quality, and are easily remembered, whereas it is almost impossible to keep in mind the present figures for the strength tests of the many different thicknesses of even

one quality of paper. As indicating the general order of these ratios, the following tabulation of our results to date may be of interest:

	Strength. Ratio.
News and cheap books, run from	0.20 to 0.40
Better grades of book	0.40 to 0.75
Flats	0.70 to 0.90
Cheaper bond papers	0.65 to 1.00
Better grades of bond	1.00 to 2.00
Ledger papers	1.00 to 2.00
Good grades of manila	1.00 to 1.25

Different weights of papers of the same grade approximate closely to the same strength ratio. For example, in case of a bond paper made in a number of different weights the ratios for 13, 14, 16, 20, and 24 pound folios, were, respectively, 1.05, 1.00, 1.07, 0.98, and 1.03.

In concluding this report I desire to say that I will be glad to receive the authorization of the association to conduct during the ensuing year on its behalf a comparative study of the various methods of sampling wood pulp employed in the different mills in this country and abroad. To this end I have collected during the past year a considerable amount of data on these different methods and this has served to bring out in a striking way the utter lack of uniformity in this important work. Some of the methods in vogue are unquestionably subject to grave error and the establishment of a uniform official method would remove much friction between buyer and seller. At present we have the strip method, the quarter sheet method, the whole sheet method, the whole bale method, the wedge method, the punch method, and the disk method, not to mention the numerous variations of each general method. In some cases it is the practice to sample 1 bale in 10, in others 1 in 20, 1 in 25, and even 1 in 50, as now rather generally obtains in Europe. To secure the data necessary to a proper presentation of the whole matter and afford a basis for recommendations looking to the adoption of an official method, it would seem desirable that your chemist be authorized to send out blanks in his official capacity to importers, makers, and buyers of the various grades of pulp, requesting complete and detailed statements as to the methods employed by them or their agents in sampling the pulp they ship or receive. The more promising of these methods should then be made the subject of comparative tests to determine their relative accuracy. A number of such tests have already been carried out during the past year in my laboratory, but in order to avoid premature conclusions I refrain from reporting on them at this time.

EXHIBIT B.

COPY OF A RESOLUTION PASSED AT THE MEETING OF FEBRUARY 7, 1907.

In accordance with the suggestions made in the last paragraph of Mr. Little's report, the following resolution was passed at this meeting:

"*Resolved*, That the official chemist of the association be, and he hereby is, instructed and empowered to make during the ensuing year a comparative study of the various methods of sampling and testing wood pulp and fiber and to request of buyers and sellers of pulp and fiber such information as they may be willing to furnish as to their methods, with a view to recommending at the next meeting of the association a method for adoption as the official method for such sampling and testing."

EXHIBIT F.

Freight rates.

To—	From—				
	Niagara Falls.	Chisholm, Me.	Hudson River.	Watertown.	Grand Mere, Quebec, Canada.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*
New York	13	17	13	13	18
Boston	15	10½	15	15½	None.
Philadelphia	13	16	15	17	22
Baltimore	13	18	17	17	22
Pittsburg	10	19	15	15	17
Cleveland	8½	17	17	15	17
Cincinnati	13	15½	16	16	15½
Chicago	15	18	18	18	18
Detroit	10	17½	15	15	16
Memphis	32	34	32	32	32
Houston					91
New Orleans	31	37½	36	35	None.
Atlanta	40	45½	40	40	43½
St. Louis	18½	21	21	21	21½
Omaha	33½	36	36	36	None.
Buffalo					15

STATEMENT OF CHESTER W. LYMAN, OF NEW YORK, REPRESENTING THE INTERNATIONAL PAPER COMPANY.

SATURDAY, *November 21, 1908.*

Mr. LYMAN. Mr. Chairman and gentlemen of the committee, I have prepared a paper which I will read and a copy of which I will place in your hands.

Mr. GRIGGS. His speech is so prepared that we can read it.

Mr. LYMAN. I have come here voluntarily, and I would very much prefer to present our case as we have prepared it, and if you wish afterwards to ask any questions I would be happy to answer them if I can. But I have put some thought on this matter and formulated our ideas into as brief a form as possible, and it is only a matter of fifteen or twenty minutes reading it to you, and I think it touches pretty much every side of the question, and when I get through you will have a good idea of what the International Paper Company is. With your permission I will read.

(Mr. Lyman read the following document:)

The International Paper Company was incorporated under the laws of New York State on January 31, 1898. It took over by purchase a number of paper, sulphite, and ground-wood mills, also timber lands in the United States and Canada and developed and undeveloped water powers in the United States. In its organization no stock was put on the market and no commissions were paid to anyone in connection with the organization. The vendors received stock and bonds of the new company.

The company in 1907 was operating the following-named plants in the United States at the locations indicated, the year 1907 being specified because during 1908 operations were interrupted by the general business depression and a strike:

Glens Falls Mill.....Glens Falls, N. Y.
Fort Edward Mill.....Fort Edward, N. Y.

Hudson River Mill	Palmer, N. Y.
Otis Mill	Chisholm, Me.
Glen Mill	Berlin, N. H.
Niagara Falls Mill	Niagara Falls, N. Y.
Rumford Falls Mill	Rumford Falls, Me.
Falmouth Mill	Jay, Me.
Webster Mill	Orono, Me.
Winnipiseogee Mill	Franklin, N. H.
Livermore Mill	Livermore Falls, Me.
Montague Mill	Turners Falls, Mass.
Lake George Mill	Ticonderoga, N. Y.
Fall Mountain Mill	Bellows Falls, Vt.
Ontario Mill	Watertown, N. Y.
Piercefield Mill	Piercefield, N. Y.
Solon Mill	Solon, Me.
Umbagog Mill	Livermore Falls, Me.
Cadyville Mill	Cadyville, N. Y.
Riley Mill	Riley, Me.
Wilder Mill	Wilder, Vt.
Gardiner Mill	South Gardiner, Me.
West Enfield Mill	West Enfield, Me.
Milton Mill	Milton, Vt.
Watertown Mill	Watertown, N. Y.
Woods Falls Mill	Watertown, N. Y.
Underwood Mill	Faust, N. Y.
Harrisville Mill	Harrisville, N. Y.
Ammonoosuc Mill	West Milan, N. H.
Bemis Mill	Bemis, Me.

Eighteen paper mills, 8 separate pulp mills, and 4 wood-preparing mills.

In each of these places the company's mill is an important factor in the maintenance of the community and in many of them it is the only productive agency, besides indirectly furnishing a market for the outlying farm districts. The company employs normally about 7,000 persons at its mills, besides its operations in the woods in the United States, which are estimated to employ 8,500 persons. There are thus directly and wholly dependent upon the wages paid by the company, estimating five persons to a wage-earner, 77,500 people, besides to a less extent farmers, storekeepers, manufacturers of supplies, and transportation companies.

Except for its wood operations in Canada, almost every dollar it receives is expended in the United States. The following are some of the principal items of home production consumed annually by this company:

Coal	tons	400,000
Sulphur	do	18,500
Lime and limestone	do	18,000
Chemicals	do	27,000
Construction and repair materials		$1,500,000
Paper and pulp machine supplies		$900,000
Domestic pulp wood		$5,570,000

It is estimated that it furnishes annually 2,500,000 tons of freight to the common carriers of the country.

The capital employed is represented by $22,406,700 preferred stock, $17,442,800 common stock, and $17,560,000 bonds. The stock is held by about 4,200 individuals, about one-third of whom are women. The average holding of preferred stock is 70 shares per capita and of common stock 170 shares per capita, or at the market price of the stocks about $400 and $170, respectively.

Including operatives, stockholders, bondholders, and those immediately dependent upon them, there are probably not less than 100,000 persons financially interested in the prosperity of the company, besides the communities and other industries which it helps support. On the other hand, its customers number only about 500. Most of these are conducting a very profitable business and only a very few are on record as asking for a reduction in the tariff.

In the first year of the company's existence the common stock paid three dividends of 1 per cent each. It has paid none since. The preferred stock paid 6 per cent annually until April, 1908, the April dividend and the following one in July being on the basis of 4 per cent per annum. In October, 1908, the dividend was put on the basis of only 2 per cent per annum.

In ten years its gross business has amounted to over $200,000,000, while it has paid out in dividends only $13,951,222.50, and has increased its bonded indebtedness by $6,000,000. The earnings of the company in excess of dividends in ten years have amounted to $7,381,083.14, an average of about $700,000 per annum, which is only 1.8 per cent upon the capital stock of the company. These surplus earnings, together with the proceeds of the sale of $6,000,000 bonds, have been used mostly in the improvement of its plants in order to keep the cost of production at the lowest possible point.

It was stated in an affidavit submitted by the company to the "Select Committee of the House of Representatives" last spring (and corroborative testimony was introduced) that the assets of the company, less current liabilities, are conservatively worth $70,421,688, or an excess over both preferred and common stocks and bonds outstanding of $13,012,188.

The company owns or controls about 900,000 acres of timber lands in the United States and 3,100,000 acres in Canada. It is operating upon these lands in the United States in the most conservative manner possible, in all cases leaving the small growth for the future and avoiding all the waste possible, felling trees with the saw instead of the ax, as formerly, and using the tops of the trees to the fullest extent possible. At some points in New England it has bought abandoned farms having a young growth of spruce on them, and is holding them for its future needs. It is also making some experiments in replanting. It is holding its lands in the United States, in so far as practicable and economical, for future use. It may be added that its operations in Canada are also as conservative as conditions will allow.

It is using approximately 10 per cent of all the water power developed in the United States, according to the government census of 1905, while millions of horsepower are constantly going to waste in the rivers of this country because our industries have not developed sufficiently to utilize more than a small part of this natural resource, which is an almost unused asset.

In 1899, its first full year, the company made 380,000 tons of paper. In 1907 it made 495,000 tons, an increase of 30 per cent. It makes all the pulp required for this quantity of paper, and is thus not dependent upon any other company or any other country for any of its requirements of pulp. It does, however, get from Canada about 35 per cent of the pulp wood required, mostly from its own lands,

this coming in free of duty. For the handling and transportation of this wood a large amount of money has been permanently invested, so that it may be laid down at the mills at the lowest possible cost.

In 1907, 83 per cent of its output was news paper, the balance being wrapping and miscellaneous grades. The company produces a negligible proportion of the wrapping and miscellaneous grades produced in the country. The estimated production of news paper in the United States in 1907 was 1,200,000 tons. This company's proportion, therefore, was but 34 per cent. In 1900 the percentage of the news paper output of the United States produced by the company is estimated to have been 65 per cent. It is thus seen that although the company has increased its output of news paper about 12 per cent, its proportion of the total output of the country has fallen from about two-thirds to one-third, due to the policy of devoting its energies to the production of paper at the lowest possible cost rather than to reaching out for a control of the productive capacity of the country or its markets. Considering the total value of all kinds of paper and pulp produced in the United States in 1905, the company produced but 10 per cent, and operated but 19 out of about 760 paper mills in the country.

Before the Select Committee of the House of Representatives it was shown that although the rate of wages paid had increased on an average 66 per cent since the company started and the cost of wood had increased 100 per cent, and many other items beyond its control had likewise increased in cost substantially, yet the total cost of production in 1907 had increased only 14 per cent over 1900, thus demonstrating the improvement in the efficiency of the management and plants of the company.

A compilation just made by the Department of Commerce and Labor from typical pay-roll sheets of this company indicates that the average hourly rate of wages in the mills making news paper in 1907 was 94 per cent higher than in 1900 and the hours of service per day were 22.7 per cent lower per wage-earner.

The following table shows the wages paid in February, 1908, in a similar Canadian mill which makes news paper, compared with the wages paid by this company, showing an excess in our mills over the Canadian mill of about 50 per cent:

	International Paper Company.	Canada.
Machine tender	$0.50	$0.3542
Second hand	.33	.25
Third hand	.25	.1666
Fourth hand	.2234	.1458
Fifth hand and common laborer	.2234	.125
Average	.3035	.2083

Based upon the above rates the cost of labor per ton of paper in each country is as follows:

International Paper Company	$8.00
Canada	5.46

The Canadian mill thus has an advantage of about $2.50 per ton of paper.

All the mills of this company run on the three-shift, or eight-hour day basis, whereas all Canadian mills, as we understand, are run on the two-shift-per-twenty-four-hours basis, except in the paper machine department of three mills.

Canadian mills likewise have an advantage in the cost of the raw material. The stumpage of pulp wood in Canada, in the Province of Quebec, ranges from $1.10 per cord to $1.75 and in New Brunswick from $1.25 to $2, whereas in Maine and New York stumpage ranges from $2.50 to $3.60. This is an average for Canadian wood of $1.50 and for domestic wood of $3 per cord, an advantage of $1.50 per cord in favor of Canadian stumpage.

The labor in the woods is also about 33 per cent cheaper in Canada than in the United States, as was shown before the Select Committee, pages 1041 to 1045.

To the extent to which we use Canadian wood, we, of course, share these advantages of stumpage and labor, but we are at a disadvantage again when it comes to transportation.

The cost of pulp wood delivered at Canadian mills does not exceed $6, which was the average quotation in 1907 for rough wood ready for shipment to the United States. The average cost of transportation of Canadian wood to the mills of this company in 1907 was about $3.25 per cord. As it takes approximately 1½ cords of wood to make a ton of paper, this is an advantage of nearly $5 which the Canadian mill has in the item of pulp wood per ton of paper. In addition, such wood as we buy from Quebec has to pay an extra stumpage to the government of 25 cents per cord, equal to 37½ cents per ton of paper. This comparison is borne out by the prevailing price of domestic pulp wood, which in 1907 was about $9 per cord in Maine and New York, as against $6 paid by Canadian mills.

In labor and wood, which are over 50 per cent of the cost of a ton of paper, the average Canadian mill has an advantage over us of $7.50, so that they are able to pay the duty of $6 and still make a profit.

The following table shows the wages in several European countries compared with those paid by this company:

Rates of wages per day of twelve hours, International Paper Company, compared with foreign rates.

Department.	Occupation.	International Paper Co.	Austria.	Per cent increase of International Paper Co.	Germany.	Per cent increase of International Paper Co.	Sweden.	Per cent increase of International Paper Co.	Norway.	Per cent increase of International Paper Co.	England.	Per cent increase of International Paper Co.	Grand Mere.	Per cent increase of International Paper Co.
Foremen	Ground wood	$9.60	$1.20	700	$1.50	540	$1.65	482	$1.60	509	.....	.....	$2.64	264
	Sulphite	6.92	1.40	394	1.60	332	1.70	307	1.70	307	.....	.....	.....	.....
	Paper	9.60	1.50	540	1.76	449	1.85	419	2.00	380	.....	.....	.....	.....
	Repairs	9.60	1.10	773	1.25	668	1.40	586	1.50	540	.....	.....	.....	.....
	Steam	7.69	1.00	669	1.26	515	1.50	413	1.50	413	.....	.....	.....	.....
Wood room	Head preparer	4.00	.90	344	1.00	300	1.00	300	1.20	233	.....	.....	.....	.....
	Sawyer	3.00	.75	300	.87	245	.90	233	.95	216	.....	.....	1.68	79
	Barker	2.68	.75	257	.87	208	.90	198	.95	182	.....	.....	1.68	80
	Splitter	2.68	.75	257	.87	208	.90	198	.95	182	.....	.....	.....	.....
	Chipper	2.68	.75	257	.87	208	.....	.....	.....	.....	.....	.....	1.80	49
Grinders	Head grinder man	3.00	1.00	200	1.25	140	1.20	150	1.20	131	.....	.....	2.64	14
	Grinder man	2.85	.75	280	.87	228	1.00	185	1.00	185	.....	.....	1.92	48
Ground-wood screens	Head screen man	3.00	1.00	200	1.25	140	1.20	150	1.20	150	.....	.....	.....	.....
	Screen man	2.68	.75	257	.87	208	.90	198	.90	198	.....	.....	.....	.....
Ground-wood presses	Head pressman	3.00	1.00	200	1.50	200	1.20	150	1.20	150	.....	.....	3.00	.....
	Pressman	2.68	.70	283	.75	257	.90	198	.90	198	.....	.....	1.72	56
Acid plant	Sulphur burner	3.72	1.10	238	1.25	198	1.25	198	1.30	186	.....	.....	.....	.....
	Acid maker	3.72	.90	313	1.00	272	1.00	272	1.00	272	.....	.....	2.52	46
	Lime slacker	3.72	.90	313	1.00	272	1.00	272	.90	313	.....	.....	2.04	32
Digesters	Head cook	4.50	1.25	260	1.50	200	1.40	221	1.50	200	.....	.....	3.28	37
	Cook	3.66	.90	307	1.00	266	1.00	266	1.00	266	.....	.....	.....	.....
	Cook helper	3.00	.70	329	.75	300	.70	329	.80	275	.....	.....	2.04	47
Beaters	Head beater man	4.88	1.10	344	1.25	290	1.10	344	1.20	307	$1.75	179	3.36	45
	Beater man	3.26	.80	308	.90	262	.80	308	.90	262	1.20	172	1.72	90
Paper machines	Machine tender	6.00	1.50	300	1.80	233	1.50	300	1.60	275	2.75	118	6.00	.....
	Second hand	3.96	1.00	296	1.20	230	1.10	260	1.20	230	1.60	147	3.75	6
	Third hand	3.00	1.00	200	1.20	150	1.10	173	1.00	200	1.25	140	2.70	11
	Fourth hand	2.68	.80	235	.87	208	.80	235	.80	235	1.05	155	2.26	19
	Fifth hand	2.68	.50	436	.60	347	.60	347	.50	436	.90	198	.....	.....
Finishing	Head finisher	4.00	1.10	264	1.20	233	1.30	208	1.20	233	1.50	167	3.60	11
	Roll finisher	2.59	.80	224	.90	188	.80	224	.90	188	1.20	116	2.40	8
	Sheet finisher	2.67	.80	234	.90	197	.80	234	.90	197	1.20	128	2.40	11
	Counter	2.20	.70	214	.70	214	.80	175	.80	175	1.05	110	.....	.....
	Cutter man	3.00	.50	500	.70	329	.80	275	.80	275	.90	233	.....	.....
	Cutter girl	1.91	.20	855	.25	664	.30	537	.30	537	.37	416	.....	.....
Indoor miscellaneous	Head loader	3.67	.90	308	1.00	267	1.10	234	1.00	267	1.25	194	.....	.....
	Paper loader	2.40	.60	300	.76	220	.80	200	.80	200	.87	176	.....	.....

Steam plant	Head engineer	7.69	1.10	599	1.25	615	1.40	449	1.40	449	1.75	329	.....	.....
	Engineer	4.50	.90	400	1.00	350	1.00	350	1.00	350	1.25	280	.....	.....
	Head fireman	3.60	.90	300	1.00	260	1.10	227	1.10	227	1.50	140	.....	.....
	Coal fireman	3.00	.60	400	.75	300	.75	300	.80	275	1.00	200	.....	.....
	Coal handler	2.68	.50	436	.75	257	.65	312	.70	283	.87	208	.....	.....
	Ash handler	2.68	.50	436	.70	233	.65	312	.70	283	.87	208	.....	.....
Repairs	Head millwright	4.66	1.10	324	1.25	278	1.20	288	1.20	288	2.00	133	.....	.....
	Millwright	3.60	.90	300	1.00	260	1.00	260	1.00	260	1.10	227	.....	.....
	Millwright helper	2.40	.....	.....	.75	220	.75	220	.80	200	.90	167	.....	.....
	Carpenter	4.00	.90	344	1.00	300	.90	344	.90	344	1.25	220	.....	.....
	Mason	6.00	.90	567	1.00	500	.90	567	.90	567	1.25	380	.....	.....
	Painter	3.00	.90	233	.87	245	.90	233	.80	275	1.10	173	.....	.....
	Electrician	4.06	1.00	308	1.25	226	1.10	271	1.00	308	1.25	226	.....	.....
	Laborer	2.20	.60	267	.75	193	.75	193	.70	214	.90	144	1.50	47
	Teamster	2.20	.60	267	.87	153	.85	159	.80	175	1.00	120	1.80	22
	Single team	4.00	.60	567	.87	360	.85	371	.80	400	1.00	300	.....	.....
	Double team	5.32	.60	787	.87	512	.85	526	.80	565	1.00	432	.....	.....
Office force	First clerk	4.44	1.10	394	1.50	196	1.60	177	1.50	196	2.00	122	.....	.....
	Second clerk	3.34	.90	271	.87	284	.90	271	.80	318	1.50	123	.....	.....
	Third clerk	2.11	.60	418	.75	315	.60	418	.60	418	1.00	211	.....	.....
	Stenographer	3.34	.75	345	.87	284	.90	271	.85	298	1.25	167	.....	.....
Average		3.91	.85	360	1.01	287	1.02	283	1.02	288	1.24	189	2.54	40
Compared with England (omitting occupations not given for England)		3.58	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Compared with Grand Mere (omitting occupations not given for Grand Mere)		3.56	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Approved: BUREAU OF STATISTICS.
BUREAU OF STATISTICS, *May 15, 1908.*

JESSE L. PLASS,
Chief Clerk, Bureau of Statistics.

Based on these rates, the cost of labor per ton of paper would be in each country as follows:

International Paper Company	$8.00
England	3.29
Germany	2.48
Sweden	2.22
Norway	2.22
Austria	2.09

Thus some European countries have an advantage on labor solely almost equal to the whole duty of $6.

While at present no news paper comes into the United States from European countries, we believe that if the duty were removed importations would follow from Scandinavia, Finland, and Germany. In Germany prices are sustained in the home market by a combination sanctioned by the Government and the surplus is sold for export to the highest bidder, regardless of cost, special rates of freight being given by government railroads; and the German manufacturers are thus able to hold important markets in England and in South America and to compete with Canadian and United States paper in Australia and at other points.

We have no exact figures for the cost of production in Finland, but it is a matter of common knowledge that wages there are but a fractional part of what we pay and that wood is extremely cheap. The industry is growing rapidly there. Finland pays our duty upon sulphite pulp and reaches the interior of the United States, underselling western pulp mills at their very doors.

In Scandinavia labor and wood are both very much cheaper than in the United States, and their surplus pulp and paper could be profitably marketed in this country if there were no duty.

Importations of print paper from Canada amounted in 1907 to 13,248 tons, and have continued at an equal rate through 1908, and the business of this company has suffered considerable inroads from this quarter. We were obliged to curtail production, beginning the latter part of 1907, because we could not place our normal product at a price sufficiently remunerative to enable us to pay dividends and the scale of wages in vogue. Starting with the executive department, a system of rigid economy and retrenchment was inaugurated, followed by the reductions in dividends above referred to, which were equivalent to a reduction of 15 per cent on our normal pay roll.

It became apparent in July of this year that a temporary reduction would have to be made in wages. The salaries of superintendents and other mill officials were first readjusted. The reduction in wages of some of the foremen belonging to the union which controlled the machine tenders precipitated a strike. The members of the pulp makers' union, however, and the firemen's union were desirous of continuing work and of helping the company meet a critical situation, and consented to a reduction of about 5 per cent in wages. The strike lasted three months and has finally been broken, the men of the paper makers' organization returning individually and accepting a reduction of about 5 per cent.

The average price at which the product of the company was marketed in 1900 was $43.64 per ton, delivered to the consumer, and in 1907 it was $42.83, a decrease of about 2 per cent, notwithstanding the increase in rate of wages of 66 per cent and in cost of wood of

100 per cent. This decrease is in marked contrast with the advance in price of other grades of paper, and particularly with the general increase in the price of all kinds of commodities during the same period.

Our paper is manufactured and sold absolutely independently of other companies manufacturing news paper, which number 52 separate concerns. We make our prices absolutely independently, considering only the cost of production and a fair profit necessary to pay reasonable dividends and maintain the efficiency of our property.

The International Paper Company has made, up to June 1, 1908, 4,621,283 tons of paper, and, as stated, has declared dividends aggregating $13,950,000. This is an average profit to stockholders of only $3.02 per ton, so that the duty of $6 per ton has not, as has been alleged, been a "shelter for extortion."

We believe this mere recital of facts relating to the International Paper Company is conclusive evidence that it is in no sense monopolistic, and it therefore should not be deprived of the protection intended to be accorded to all legitimate industries under the tariff policy of the Government.

Neither conditions precedent to nor the usual results attendant upon a monopoly exist in this case. The company does not dominate the production or price of the line of goods which it manufactures. It is not overcapitalized, and its profits are not only not exorbitant, but are not a fair return upon the investment. It violates no statute aimed at restraint of trade, nor any other. The wage-earner has profited under its management. Its competitors have not complained against it. Its customers acknowledge that its service and the quality of its output have improved since the company was formed, and that they are equal, if not superior, to those of any of its competitors. Its stockholders have never charged it with dishonest or inefficient management, and, in general, none of the grievances exist which are supposed to be engendered by so-called "trusts," with the sole exception that some few publishers have charged extortion and various malevolent acts, which they have repeatedly failed to prove.

If any discrimination is to be made between large industrial corporations which conduct their business in a legitimate manner and those which do not, the International Paper Company claims that it is entitled to commendation rather than condemnation, and in the formulation of the Government's tariff policy that it should receive on its own account fair and reasonable protection, and that no policy should be adopted which would injure it or the industry of which it is but a small part.

Referring to paragraph 393 of Schedule M, we are opposed to any reduction whatever in the duties therein specified for pulp. The duty on mechanically ground wood pulp of one-twelfth cent per pound is equivalent to not more than 10 per cent on the average price.

Next to the raw material, wood, the most important factor in the manufacture of ground wood pulp is water power for reducing the wood to pulp. This company not only produces all the ground wood that it requires, but has ample undeveloped water power in reserve for its future requirements when, and if, the condition of the market warrants a further increase in its output in this country. The making of ground wood pulp constitutes one of the most impor-

tant steps in the process of making paper, and involves a large outlay of capital and the employment of a large amount of labor. We do not believe that our paper should be brought in competition with paper made from foreign pulp having free entry into this country, since the wages in foreign mills are so much less than in our own. Yet in 1907, 138,000 tons, valued at nearly $2,000,000, came in from Canada.

The duty on chemical wood pulp of one-sixth cent per pound amounts to not more than 9 per cent upon the average price of unbleached sulphite pulp, which is the only kind of chemical pulp that we use to any considerable extent. We make all the sulphite pulp that we require and have ample facilities for increasing our output as fast as conditions warrant. If the duty were taken off from sulphite, or substantially reduced, this market would be flooded not only with sulphite pulp from Canada, but from European countries, particularly Norway, Sweden, and Germany, where, as already shown, labor costs not more than 26 per cent of what we pay; as well as Finland, where wages are still lower.

We do not believe the capital and labor involved in this branch of our business should be subjected to unrestricted competition with foreign pulp, which may be, and is, sold in this market in spite of the existing duty. In 1907, 50,000 tons came from Canada and more than 40,000 tons from Europe.

We will subsequently discuss the so-called "countervailing duty" clause contained in this paragraph and paragraph No. 396.

Referring to paragraph No. 396, we are most emphatically opposed to any reduction in the duty on print paper in so far as it applies to news paper. The duty of three-tenths cent per pound on paper valued at not above 2 cents per pound is practically about 15 per cent upon the price at Canadian mills. This is a much lower duty than almost any other commodity enjoys, and is substantially the same as under the so-called "Wilson tariff." It is not adequate to prevent extensive importations of news paper from Canada, as already shown, and any reduction would mean an increase in importations and a loss of business for us. It would check the growth of our production, and the removal of the duty would close up a number of our mills. We believe that under any conditions the free admission of paper would compel us to abandon many of our plants and either drive us out of business or compel us to build mills in Canada.

We believe that great as is the stake which our stockholders have in this issue it would be as nothing compared with the disastrous effect upon our employees and the communities where our mills are located. We believe that an industrial concern of the magnitude of the International Paper Company can not be crippled or crushed out without serious detriment to the welfare of the country.

The normal capacity of the International Paper Company exceeds the present consumption of its customers, and yet 7,000 tons of print paper were imported into this country during the first half of 1908, depriving the employees of our own and other mills of employment.

If the duty on paper were removed or substantially lowered, and if this resulted in reducing the price, as claimed by some publishers, this company, having no sufficient margin of profit to enable it to resist foreign competition without loss, would be forced, in an effort

at self-preservation, to accomplish retrenchment both by cutting down wages and abandoning conservative and comparatively expensive methods of lumbering on its timber-land holdings in this country; instead of leaving small wood for future growth, it would have to strip the lands of every available stick of pulp wood and would very likely be forced to realize further by marketing all the hard wood thereon. It would aim to keep going long enough to get all it could out of its timber lands, mills, and water powers before abandoning them.

We firmly believe that removing the duty from paper would not only not be in the interest of forest preservation in this country, but would lead to the immediate destruction of the timber on the 5,000,000 acres held by paper manufacturers, and as much more as they could get hold of.

We know of no way by which this result can be avoided if we are brought into competition with free paper, which is what Canada seeks. We believe that the movement in Canada in favor of putting an export duty on pulp wood, or prohibiting its exportation, is not likely to be successful, because it is not founded on any sound or just principles; and we further believe that if it should be successful it would result in such great injury to Canada that such a policy would be short lived.

One of Canada's greatest assets is her forests, but they are only profitable to her in so far as they are productive. We sympathize with any bona fide desire on her part to perpetuate her forests and are willing to submit to any reasonable restrictions in our operations in the Canadian woods which have that end in view, but Canada has a very great area of timber lands, and they can produce a large annual yield without impairing them—all that her mills and ours will want for generations to come.

Canada is exporting $33,500,000 worth of forest products a year, and is doubtless eager to increase her markets for lumber, etc., and her exports thereof. Her exports of pulp wood in 1907 amounted to about $5,000,000. It looks inconsistent, to say the least, for her to seek to increase her exports of lumber generally and to check the exports of one particular variety, especially as pulp wood is very generally distributed throughout the Dominion. The consumption by the United States is insignificant compared with Canada's extensive supply.

We are therefore forced to the conclusion that the opposition to exporting pulp wood is not based on any genuine apprehension on behalf of forest preservation. On the contrary, we have conclusive evidence in published statements of the exponents of this policy that the real motive is to hamper the industry in the United States in order to build it up in Canada. The movement is supported by the Canadian paper and pulp manufacturers, who desire to increase their output and to secure a market for it in the United States. In other words, they wish to withhold from us the raw material which we desire and force us to take the manufactured product.

This attitude is inconsistent with their own general tariff policy, which admits our raw material free and raises a high barrier against manufactured products. For example, Canada imported free of duty in 1907 from the United States about $8,000,000 worth of raw cotton, but our own manufactured cotton goods going into Canada

have to pay duties ranging from 20 to 35 per cent. In addition, Canada gives to England a preference of 33⅓ per cent on cotton goods, also made from the raw cotton which we furnish. Canada is also taking from us annually about $28,000,000 worth of coal and coke (all free of duty except 50 cents per ton on bituminous coal) to run her mills to make goods which the United States could furnish her if it were not for her tariff.

Although the Province of Ontario has actually prohibited the export of pulp wood cut from crown lands, and the Province of Quebec discriminates against us by charging 25 cents more per cord for stumpage on pulp wood if it goes to the United States than if manufactured in the Dominion, it seems improbable that either the Canadian people or the government will ever sanction so unfriendly and unusual an act as placing a general prohibition or embargo upon the exporting of pulp wood.

It would seem, however, to be only the part of prudence for this country to prepare itself should such hostile action be taken. We advocate, therefore, that the countervailing duties provided for in sections 393 and 396 should be remodeled so as to make their application more sweeping in case Canada assumes an aggressive attitude. Should your committee desire our views more in detail as to how this should be done, we shall be glad to submit them.

So far as this company therefore is concerned, it is content to have the tariff remain as it is, with the exception of the countervailing clause and the possible addition to the administrative act of the tariff of a provision which will prevent foreign manufacturers from selling their output in this country at lower prices than prevail in their home markets.

Mr. UNDERWOOD. I see that most of your factories are located in New York, Maine, and Vermont. What percentage of the output of paper do your factories represent north of the Potomac River and east of the Allegheny Mountains?

Mr. LYMAN. I should say about 60 per cent, as a rough calculation.

[NOTE.—In 1905, according to the census, it was 54 per cent; in 1907, estimated, 47 per cent.]

Mr. UNDERWOOD. Being a large producer of the paper that is manufactured within that territory, I presume that you ship your paper from the nearest mill to the market that demands that supply, do you not; in other words, if you were shipping to Boston you would send from the mill nearest Boston?

Mr. LYMAN. If the sizes suit our machines, and if the quality suits the customers.

Mr. UNDERWOOD. As a rule you have your mills built for that purpose, do you not?

Mr. LYMAN. We do not have them built for any particular locality; that is, we do not build them for a market that is nearest at hand.

Mr. UNDERWOOD. You manufacture for the market nearest at hand, don't you.

Mr. LYMAN. We manufacture for the country. In the case of New York City, where there is such a great permanent demand, if we put up a mill that was favorably situated to supply that market we would undoubtedly consider the sizes of the rolls used in the New York market, but there would be no guarantee that they would be permanent.

Mr. UNDERWOOD. Does the paper that you ship to the Boston market come from mills more contiguous to the Boston market than from your other mills?

Mr. LYMAN. Yes, naturally, in so far as we can we try to have the average freight rate a minimum.

Mr. UNDERWOOD. Under those circumstances, what is your average freight rate in covering the product to the Boston market from the mills that are contiguous?

Mr. LYMAN. I can only say from general knowledge. We have departments that have their specialties, and no one person in our company knows all the details of all our departments; but I should say that probably 10 cents a hundred is the minimum rate.

Mr. UNDERWOOD. Long tons or short tons?

Mr. LYMAN. Ten cents a hundred pounds.

Mr. UNDERWOOD. That would be $2 a ton.

Mr. LYMAN. Two dollars a short ton.

Mr. UNDERWOOD. Well, as to the New York market, what would the freight rate come to in the delivery of your product?

Mr. LYMAN. That will average probably 15 cents, or $3 a ton.

Mr. UNDERWOOD. What is the distance of the contiguous mills of your company to the Boston market?

Mr. LYMAN. The nearest mill that makes newspaper is the distance from the Connecticut River at Bellows Falls to Boston, which I do not know.

Mr. UNDERWOOD. Estimate what it is.

Mr. LYMAN. I understand it is 116 miles.

Mr. UNDERWOOD. What is the distance from your contiguous mills to New York?

Mr. LYMAN. From 50 miles above Albany, and as Albany is about 145 miles, that would make it about 200 miles.

Mr. UNDERWOOD. What is the nearest distance to Boston from the nearest Canadian mill?

Mr. LYMAN. The nearest Canadian mill that I know of, and that I have in mind, is at Ottawa, which is distant about 300 miles from Boston.

Mr. UNDERWOOD. What is the distance to New York from the nearest Canadian mill?

Mr. LYMAN. Well, I think it would be the same as from Ottawa, although I think Boston must be a little farther from Ottawa than New York, but probably about the same distance.

AUDITOR. It would be 400 miles from New York.

Mr. UNDERWOOD. Now, what would it cost for the transportation of a ton of paper from the Canadian mill that is situated 300 miles from Boston to Boston? You stated that the cost from your mill to Boston would be about $2 for 116 miles. What would be the freight rate from the Canadian mill to Boston?

Mr. LYMAN. Well, I should say that would be probably 15 cents a hundred.

Mr. UNDERWOOD. That would be about $4.50.

Mr. LYMAN. Excuse me, but it strikes me that it is futile to have these guesses and then try to form conclusions based upon those, when, if you wish, I will put in a table of the exact figures; in fact, that has all been submitted to the Select Committee, and therefore I did not attempt to burden ourselves with memoranda of those details.

Mr. UNDERWOOD. What I wanted was this: As I read your statement through, you did not deal in the freight rate. I desired to ascertain those facts, but if you prefer to put that in in a supplemental paper, very well.

Mr. LYMAN. I will say that the reason why I did not take up the freight rates was that I think you can eliminate them on both sides of the equation; that they do not cut much of a figure one way or the other, except that we have to consider freight on our wood; but as for the freight on the paper, there are some portions of the United States which some Canadian mills can reach for less than some of the American mills, and some points which some of the American mills can reach, naturally, cheaper than the Canadian mills.

Mr. UNDERWOOD. I took it that this shipment of paper was a good deal like a shipment of coal or lumber; that the freight rate was a very material factor in reaching the market, and that when your mills went southward, going away from the Canadian market, you have the advantage of the difference in distance. Are not the western mills located very much nearer the market in which they sell their products than the Canadian mills?

Mr. LYMAN. My impression is that the difference diminishes the farther away you go; that is, as you go farther away from the mills the rates draw nearer together. Is that not so, Mr. Chable?

Mr. CHABLE. The rates from Canadian mills to western points are exactly the same as from places like Otis, Me., or Berlin, N. H. They take what is known as the Berlin rate.

Mr. LYMAN. The Canadian railroads fix that up so as to put the Canadian mill on an equality with the United States mill.

Mr. UNDERWOOD. There are a good many mills located in the West, which are doing a paper business, are there not?

Mr. LYMAN. Yes.

Mr. UNDERWOOD. And they are a good many hundred miles nearer the markets in St. Louis and Kansas City and New Orleans than the Canadian mills, are they not?

Mr. LYMAN. Not a good many hundred miles, I do not think.

Mr. UNDERWOOD. How far south is the farthest paper mill located in the United States; South or West?

Mr. LYMAN. You are speaking of news paper?

Mr. UNDERWOOD. The mills in your business, yes.

Mr. LYMAN. The farthest south is at Turners Falls, in the East; and in the West I should say that was at Appleton, Wis., so far as I know. At Kansas City there is a paper machine started by a newspaper publisher, and I would hardly put that in the category of a mill. It has never been a success, and it does not make its own pulp.

Mr. UNDERWOOD. According to that, Wisconsin is then your farthest southern mill, and the Canadian mills that manufacture paper are largely in eastern Canada, and not in western Canada?

Mr. LYMAN. Mostly in Quebec, yes.

Mr. UNDERWOOD. So that for the western and southwestern market, the mills located in Wisconsin are very much nearer that market than the Canadian mills, are they not?

Mr. LYMAN. Well, that is a question. That hinges on one's knowledge of the relative distances geographically. [Appleton, Wis., to New Orleans, about 1,000 miles. Ottawa to New Orleans, about 1,300 miles.]

Mr. UNDERWOOD. I judged they were, and I wondered if there was any reason in freight rates or otherwise that you knew of, and if so, I would like to have you state it.

Mr. LYMAN. I would consider that there was—as I understand it, the freight rates from those Canadian mills are made equal to the rates from the Wisconsin mills and the Minnesota mills, to such points as those.

Mr. UNDERWOOD. Do you mean to say that the railroads give the same rates now under this new interstate-commerce law from the Canadian mills located at Quebec, to Kansas City, that a mill in Wisconsin would give?

Mr. LYMAN. The Canadian roads can make any rate they want, which of course is not controlled by the Interstate Commerce Commission.

Mr. UNDERWOOD. I understand that you state that as a fact?

Mr. LYMAN. As a general principle, the Canadian roads make very low rates to help out the Canadian industries.

Mr. UNDERWOOD. Can you state it as a fact that the rate is the same; that there is no advantage to the Wisconsin mill over the Canadian mill in freight rate going to St. Louis or Kansas City?

Mr. LYMAN. I am not stating that as a fact, unless it can be corroborated by some gentleman here. I think it is a little higher.

Mr. UNDERWOOD. Do you know how much?

Mr. LYMAN. I do not; and moreover we have no mills in Wisconsin.

Mr. UNDERWOOD. I am talking about the general paper business. I knew from your statement that you have no mills there. The freight rate differential in favor of the American mill must be a dollar or two a ton on paper, is it not?

Mr. LYMAN. In some instances it is a dollar or two in favor of the Canadian mill, as I have stated. Now, it will all come to this, that in my opinion the freight rates are practically the same, and the differences are obscured by other more important factors of cost.

Mr. UNDERWOOD. I notice that your capital stock amounts to something like—I believe you have 22 millions of common stock, 17 millions of preferred, and 17 millions of bonds.

Mr. LYMAN. You have those figures reversed as to the stock. We have 22 millions of preferred and 17 millions of common.

Mr. UNDERWOOD. Does that represent an actual investment, or was that stock issued at a valuation in putting it into the new company?

Mr. LYMAN. The properties that were taken in were taken at an appraised value, and what they actually cost nobody knows but the people who were connected with them before the International Paper Company was formed. They were taken in at what was considered to be a fair value, and most of those who were to take part in the formation of the International Company were anxious to have every other person's property put in at the minimum price so that their own valuation would not be diluted.

Mr. UNDERWOOD. You do not know whether that represented the actual cost, the original cost of the plants, or not?

Mr. LYMAN. Nobody knows that. Their appraised value was had at a time of very great depression and very small earnings; and if the formation of the company had been postponed a few years, until there was general prosperity, I presume that they would have been appraised at a very much larger figure; that is, the owners would not

have been willing to part with them at such figures as they were taken in at in 1897.

Mr. UNDERWOOD. In 1897 the prices had not gone up very extensively?

Mr. LYMAN. Gone up from when?

Mr. UNDERWOOD. Had not advanced as they had up to 1907.

Mr. LYMAN. In 1897 they had not advanced from when?

Mr. UNDERWOOD. They were not nearly as high as they were in 1907, ten years later—the general prices?

Mr. LYMAN. Well, our first business year was 1898, and I have given our prices for 1900. My impression is that the prices for 1898 was about the same as 1900, and that the prices in 1897 were——

Mr. UNDERWOOD. I do not think you understand the question that I asked you. You say that you put this property in at a low valuation, that you considered it a low valuation, but that had it been put in a few years later it would have gone in at a much higher price. You put it in in 1897 or 1898——

Mr. LYMAN. It was appraised in 1897, and the company started in 1898.

Mr. UNDERWOOD. Since that time, according to your statement here, you have not been able to pay any dividends on the common stock?

Mr. LYMAN. Only three small dividends.

Mr. UNDERWOOD. You stated that if this property had been put in a few years later it would have been put in at a very much higher figure. There is nothing here in the earning capacity of the company to warrant that statement—that you could have put it in at a higher figure?

Mr. LYMAN. There was a time during the Spanish war when paper became very scarce and independent mills asked a good deal more for their paper than the International Paper Company did, and it was in our power to ask very much higher prices than we did ask.

Mr. UNDERWOOD. The Spanish war occurred at the time you organized, in 1898?

Mr. LYMAN. That was our first year, but the effect was not felt so much until the latter part of 1898 or 1899. I think you will find that generally the stimulus of the Spanish war—I do not remember when the Boer war occurred—but I know that the effect of those occurrences was not felt for a year or so commercially.

Mr. UNDERWOOD. If your statement as to the earning capacity of the company is correct, there is nothing in your earning capacity to demonstrate that the property was worth what you put it in the company for, is there? It has only paid a dividend on two occasions, on the bonds and preferred stock. In 1901 net earnings were 6 per cent on $50,000,000, or on $10,000,000 more than outstanding stock.

Mr. LYMAN. The value of a property is not wholly determined by what it will earn; if it were, stock watering, of course, would be justified.

Mr. UNDERWOOD. Then, this stock really has some speculative value; that is, it is speculative value that they have put in here and not an actual value?

Mr. LYMAN. That is a thing that can not be positively said by anybody, because the matter of valuation is uncertain, and one person may say that a thing is worth so much, and another so much; and if

the man who sold that property had said that his property was worth so much in common stock and so much in preferred stock, there is nobody who could prove but that it was right.

Mr. UNDERWOOD. But really, as a matter of fact, the great percentage of the value of this company is upon a speculative estimate as to the value of your water power and your wood holdings—land holdings—and not as to the buildings and plants. Is not that so?

Mr. LYMAN. The plants are a large element. That is all shown in a statement to the Select Committee showing just how we make that up.

Mr. UNDERWOOD. Now, it was stated to-day by the gentleman who preceded you on the other side that your mills were old and not up to date, and that no improvements were put into them. Is that so?

Mr. LYMAN. It is wholly misleading. It is a statement that he has harped on for ten or twelve years, ever since the hearings, in 1896, when it was stated that they were dilapidated and old then. It is perfectly absurd.

Mr. UNDERWOOD. If that statement is untrue, then to what extent have you improved your mills and developed them since that time; since your organization?

Mr. LYMAN. The extent to which we could with the outlay of the proceeds of $6,000,000 bonds and what surplus earnings we could make to keep them up.

Mr. UNDERWOOD. How much did it amount to?

Mr. LYMAN. Roughly speaking, $12,000,000 or $13,000,000, perhaps—$10,000,000 I would say, because some of these earnings we appropriated in other ways; they were absorbed in working capital—that is, the working capital increased.

Mr. UNDERWOOD. Do I understand you to say that you have improved these plants to the extent of 10 millions of dollars in addition to 6 millions of bonds?

Mr. LYMAN. No; including.

Mr. UNDERWOOD. Four millions of dollars in addition to 6 millions bonds?

Mr. LYMAN. Yes, sir.

Mr. UNDERWOOD. How much have you increased your working capital since your organization?

Mr. LYMAN. That I am unable to say offhand without working it out from our statement. It fluctuates. We have been having several bad years, and our working capital has been absorbed.

Mr. UNDERWOOD. Do you know what your working capital was when you organized your company?

Mr. LYMAN. Well, I did know, but I don't recollect it. I should say four or five millions.

Mr. UNDERWOOD. What is your working capital to-day?

Mr. LYMAN. I say, I do not know.

Mr. UNDERWOOD. Is it in excess of what it was when you started?

Mr. LYMAN. I can not say just what the last balance sheet would show as free capital. I think that when we made up a statement for the Select Committee that it was somewhat less than five millions.

Mr. UNDERWOOD. Then you have not increased your working capital since you started?

Mr. LYMAN. That would follow if those guesses are correct.

Mr. UNDERWOOD. But you have added four millions out of your profits to your improvements?

Mr. LYMAN. To maintenance.

Mr. UNDERWOOD. I thought you said a while ago that it was betterments. Maintenance would leave the mill in the same condition, while betterments would put it in a better condition.

Mr. LYMAN. I do not think I used the word "betterments;" I said improvements.

Mr. UNDERWOOD. You said the property was in a better condition than when you started out, and for that reason the gentleman's statement was incorrect. Do you take that back?

Mr. LYMAN. I think I stated that the statement that they were a lot of dilapidated mills, or ever had been so, was grossly misleading.

Mr. UNDERWOOD. Well, in view of that, you said that you had put betterments on them probably to the extent of these earnings, $6,000,000 out of bonds and $4,000,000 out of profit. Now, you have been running for about ten years?

Mr. LYMAN. Yes, sir.

Mr. UNDERWOOD. That would represent an earning capacity in addition to what you paid on your stock of about $400,000 a year profit that you have made out of the business?

Mr. LYMAN. I have worked that all out right here—$700,000.

Mr. GRIGGS. You say that the earnings of the company in excess of dividends in ten years amounted to $7,381,000, leaving the surplus earnings, together with the proceeds of sale of $6,000,000 of bonds, as having been used mostly in the improvement of plants, which is $13,381,000?

Mr. LYMAN. Yes.

Mr. GRIGGS. You only used $10,000,000 of that?

Mr. LYMAN. I say mostly. I did not substantiate that by looking it up. I know the affairs of the company generally.

Mr. GRIGGS. I am not trying to mix you up at all, but to set you right.

Mr. LYMAN. Yes; I do not want to be held down to too great exactness in making statements in answering questions of this nature.

Mr. UNDERWOOD. Counting betterments and improvements, you have a pretty profitable concern?

Mr. LYMAN. Not at all, sir. I do not regard that as at all an adequate profit for the property that is represented.

Mr. UNDERWOOD. What effect do you think it would have on the price of paper if we were to repeal all duties on manufactured wood pulp and paper?

Mr. LYMAN. On the price of paper?

Mr. UNDERWOOD. I will put it in this way: I will not say to remove the duties, but if we adopted a minimum and maximum tariff bill, and the executive department of the Government should enter into a reciprocal agreement under a minimum and maximum tariff rate with Canada that would remove the duties from Canadian wood pulp and Canadian paper—leaving out the balance of the world—I will ask you what effect that would have on the price of paper?

Mr. LYMAN. That would be exactly tantamount to removing the——

Mr. UNDERWOOD. That would mean free trade from Canada to this country.

Mr. LYMAN. The effect would be the same as if you took it off here, unless it gives us power to retaliate by going in and getting the Canadian market.

Mr. UNDERWOOD. What I mean is this, to make myself plain: If we had free trade on paper and wood pulp between this country and Canada, leaving out the balance of the world, leaving the duty on for the balance of the world, what effect would that have on the price of paper in the United States?

Mr. LYMAN. I think it would gradually lower the price, and in the course of ten years you would find that the paper was being made up in Canada, and the mills here would be abandoned in a very large number; but the change, as I look at it, would take place gradually.

Mr. UNDERWOOD. To what extent would it immediately lower the price?

Mr. LYMAN. I do not think it would immediately lower it at all. There is great scarcity of paper at this minute. If we should have a rainy season before things freeze up, the situation would be relieved.

Mr. UNDERWOOD. At a time when you were able to produce sufficient paper both in this country and Canada, mills running under normal capacity, what effect would it have on the market?

Mr. LYMAN. If we were running to normal capacity and the consumption and production were just about balanced, it would reduce prices just as soon as Canada could increase her output, which we would do.

Mr. UNDERWOOD. Well, if you can not answer my question, all right; but I would have liked to have had from you a statement of facts, as you are in the business, but if you can not make it, say so.

Mr. LYMAN. People are very apt to ask questions from practical men and lead them to make a reply about something which they do not know anything about. Now, I know just enough about this to know that I can not tell you just what is going to happen, because so many things could occur to interfere with that.

Mr. UNDERWOOD. The amount of the tariff on a ton of Canadian paper coming into this country is how much?

Mr. LYMAN. Six dollars.

Mr. UNDERWOOD. Would it reduce the price to the extent of $6 if we took the tariff off?

Mr. LYMAN. I believe it would not at once. It might have that tendency, but before the tendency could work out, some other tendency and influence might get to work that would offset it.

Mr. UNDERWOOD. Then you do not think the reduction in price in this country would amount to as much as $6?

Mr. LYMAN. Not immmediately; no

Mr. UNDERWOOD. Do you think it would ultimately?

Mr. LYMAN. Yes, other things being equal, if no other conditions come in to change it—suppose, for instance, that all the Canadian mills were unionized, and wages were raised. Would not that have a tendency to offset it? There are a great many things like that that can happen.

The CHAIRMAN. Who is the author of this brief that you have presented?

Mr. LYMAN. I wrote it.

The CHAIRMAN. You are the author of it?

Mr. LYMAN. Yes.

The CHAIRMAN. You state that in 1898 the International Paper Company took over the property of a number of corporations by purchase, as I read it. What did they do, buy out the stockholders?

Mr. LYMAN. The old companies—for instance, the Glen Manufacturing Company, that had mills at Berlin—sold all of their property to the new company, the International Paper Company—as a matter of fact, they sold it to trustees who received it.

The CHAIRMAN. I do not care how the transfer was brought about, but they sold it for what consideration, cash?

Mr. LYMAN. Stock and bonds of the International Paper Company.

The CHAIRMAN. Do you remember the amount of stock and bonds?

Mr. LYMAN. Of that particular mill, or any mill?

The CHAIRMAN. Yes.

Mr. LYMAN. No; I do not.

The CHAIRMAN. Do you remember that of any of them?

Mr. LYMAN. No; I do not.

The CHAIRMAN. You have figures to tell you of each mill?

Mr. LYMAN. Yes.

The CHAIRMAN. If it would not be too much trouble, I wish you would produce a statement showing the purchase price of each of these properties, and how paid, in cash, bonds, or otherwise.

Mr. LYMAN. We can do that, and would be glad to do it.

The CHAIRMAN. And the capacity of each mill—the number of tons they made each day—at the time of the purchase. Have you got that information here now?

Mr. LYMAN. No; I have not, but I will have my secretary make a memorandum of it and furnish it.

The CHAIRMAN. You may send it to the committee to be filed. Now, you make certain statements here about the wages paid in the mills, your mills, and the foreign mills; that is, you make a statement about one of the Canadian mills. What Canadian mill is that?

Mr. LYMAN. The first statement refers to the J. R. Booth mill at Ottawa.

The CHAIRMAN. And what is the capacity of that mill?

Mr. LYMAN. It has increased lately. What is the capacity of the Ottawa mill, Mr. Chable?

Mr. CHABLE. About 100 tons.

Mr. LYMAN. What was it in February?

Mr. CHABLE. The same then.

The CHAIRMAN. And where did you get your information about the wages?

Mr. LYMAN. Mr. Whitcomb, the manager of our manufacturing department at that time, was at that mill, and talked personally with the laboring men in the mill; got it from the men themselves as to what they were being paid, and made a memorandum of it.

The CHAIRMAN. When did you get that?

Mr. LYMAN. That was gotten in the spring of this year.

The CHAIRMAN. Did you get information as to the wages paid in any other Canadian mill?

Mr. LYMAN. We did; through the president of one of the labor organizations. He got a partial list of several mills, and one of those is incorporated in that statement; that is the Grand Mere, Laurentide mill.

The CHAIRMAN. You did not put that in your brief?

Mr. LYMAN. Yes; that is in one of the statements. It is rather incomplete.

The CHAIRMAN. The last column in that statement?

Mr. LYMAN. Yes, sir.

The CHAIRMAN. Does that represent the wages in several mills?

Mr. LYMAN. That is fairly representative, I understand. We haven't got it absolutely and completely.

The CHAIRMAN. What about this mill of Sir William Van Horne's that we hear so much about?

Mr. LYMAN. That is the Laurentide Paper Company, at Grand Mere, on the St. Maurice River. It was started originally by United States capital, and is the one that General Alger had an interest in.

The CHAIRMAN. Where is it located?

Mr. LYMAN. At Grand Mere, on the St. Maurice River.

The CHAIRMAN. What part of Canada is that?

Mr. LYMAN. It is in Quebec, about the central part.

The CHAIRMAN. Sir William has made some statement about wages paid in the mill, hasn't he; or some statement has been published purporting to have come from him?

Mr. LYMAN. There has been a statement from that mill as to wages, but I do not know whether Sir William Van Horne has ever made any statement in regard to wages or not.

The CHAIRMAN. And that statement purported to show that the wages were greater in the Canadian mills than in the American mills?

Mr. LYMAN. I say I am not aware of any statement made by Sir William Van Horn.

The CHAIRMAN. You said that there was a statement published. That statement that you saw published purported to show greater wages paid in that mill than in the American mills, did it not?

Mr. LYMAN. I do not think it made any comparison.

The CHAIRMAN. I noticed something in Mr. Norris's brief about it, some general statement, and I would like to know the facts about it.

Mr. LYMAN. We have no very good data as to the wages paid in the Canadian mills. It is not complete.

The CHAIRMAN. Do you think you can get those figures for me?

Mr. LYMAN. We will make another effort. We have tried to get them, but have not succeeded in getting the information completely; but we will make it a point to do so if we can.

The CHAIRMAN. Have you stated in your brief all the differences that occur to you in favor of the Canadian mills lowering the cost of production below that of the American mill?

Mr. LYMAN. I do not think I understand that question.

The CHAIRMAN. You have stated in your brief the differences in cost of labor, cost of stumpage, etc. Have you stated all those differences that have occurred to you in favor of the Canadian mill?

Mr. LYMAN. I did not attempt to go into the small ones. I thought the larger factors were enough to be determinative.

The CHAIRMAN. Are there no other differences?

Mr. LYMAN. There are differences one way or another, some against us and some in favor of us, and quite different at different mills, the different mills in our company, and the different mills in Canada.

The CHAIRMAN. You do not go into the difference in freight?

Mr. LYMAN. Freight on paper?

The CHAIRMAN. The freight on pulp wood or freight on anything.

Mr. LYMAN. Enough to satisfy myself that it was almost negligible; that is, the difference in the freight upon the finished product from the Canadian mills and the American mills.

The CHAIRMAN. You could not give us the average freight paid per ton on pulp wood, bringing it to your mill and bringing it to the Canadian mill, and the average amount per ton paid on the products of the two mills?

Mr. LYMAN. I attempted to give the averages—I did give the average rates of freight paid on our wood of $3.25, but you might say that there is no such thing as "average freight" to the Canadian mills, and you would have to have a complete statement in order to get a true average.

The CHAIRMAN. Do you mean to say that they haven't any average freight rate from the Canadian mills to New York or Boston?

Mr. LYMAN. Quebec is a pretty big province, and they have pulpwood mills that are away up at Lake St. John, north of Quebec, and away out West in the western part of Ontario; but I can get rates that are typical.

The CHAIRMAN. With their mills located in those places so far away from the market, you would not have much competition anyway; they would rather sell nearest home.

Mr. LYMAN. Oh, no.

The CHAIRMAN. Where do they sell?

Mr. LYMAN. They sell in Europe, in Australia, and some of it here.

The CHAIRMAN. Do they sell it in the United States?

Mr. LYMAN. Some of it here. I gave the amounts that they sell here.

Mr. CALDERHEAD. Do you sell paper in Kansas and Nebraska?

Mr. LYMAN. No; we do not get out as far as that.

Mr. CALDERHEAD. How far West do you go?

Mr. LYMAN. No farther than St. Louis, I think. We have had some orders out there, but we lost them in competition.

Mr. CALDERHEAD. What price do you sell No. 2 print paper for as far west as St. Louis?

Mr. LYMAN. We only have one grade, and the price in St. Louis to-day would be based probably on about 2¼ cents New York delivery, plus the freight to St. Louis. That is my general impression. I am not connected with the sales department.

Mr. CALDERHEAD. Do you know the Carpenter Paper Company, of Chicago?

Mr. LYMAN. Yes; of Omaha? They used to be in Omaha.

Mr. CALDERHEAD. Do you come in competition with that company anywhere?

Mr. LYMAN. I do not know whether they would get east as far as we get west or not. I do not think they come far enough east to reach us. They are jobbers.

Mr. CALDERHEAD. Would you sell paper in 500-ton lots as low as $2.08?

Mr. LYMAN. Where? Out there?

Mr. CALDERHEAD. In St. Louis.

Mr. LYMAN. No.

Mr. CALDERHEAD. Or Kansas City?

Mr. LYMAN. Not to-day.

Mr. CALDERHEAD. Or Chicago?

Mr. LYMAN. Not to-day. I do not think anybody could get it to-day for that. We could not afford to.

Mr. CALDERHEAD. The Carpenter Paper Company made a contract for 500 tons with one paper in my State at $2.08 a hundred recently.

Mr. LYMAN. It probably came from a western mill, did it not, considerably nearer than we are to them? The rate becomes prohibitive when you get out that far.

Mr. CALDERHEAD. Is there any print paper selling at that price anywhere in the eastern part of the United States?

Mr. LYMAN. $2.08?

Mr. CALDERHEAD. Yes.

Mr. LYMAN. I do not think there are any quotations being made now as low as that. There was some paper sold at auction at $2.05 and $2.06, and thereabouts, f. o. b. mill. If anybody bought it at the mill and wanted to use it right there at hand, it would not cost them more than $2.08.

The CHAIRMAN. A year ago quite a number of newspaper people had contracts that ran from three to five years at a low rate, did they not, and they expired?

Mr. LYMAN. Yes.

The CHAIRMAN. So there was quite a difference in the price of paper?

Mr. LYMAN. Yes, mostly.

The CHAIRMAN. For instance, the New York Times and the Staats Zeitung had old contracts that expired. They expired, I believe, last spring, did they not?

Mr. LYMAN. I believe the Staats-Zeitung has been making yearly contracts; I think so.

The CHAIRMAN. And after that the price was higher?

Mr. LYMAN. Yes. They had had pretty low contracts. They probably made their contracts at the very most favorable time.

The CHAIRMAN. A gentleman connected with one of those papers told me last summer that he had lower rates than even some of the paper publishers mentioned in Mr. North's reports; he got the paper lower still. However, I want to ask you this question: Can you tell us what proportion of the entire amount of timber cut in the United States is turned into paper?

Mr. LYMAN. As I have figured it out from government reports, it is less than 1.6 per cent.

The CHAIRMAN. Is that a conservative figure?

Mr. LYMAN. It is conservative if the government figures are conservative. It is based purely on official figures. It is simply a matter of arithmetic.

The CHAIRMAN. Are there any statistics that show that?

Mr. LYMAN. Yes, sir.

The CHAIRMAN. Published by the Department of Commerce and Labor?

Mr. LYMAN. There is one pamphlet published by the Forestry Service called "The Drain on the Forests," I think, in which they give what the total consumption of wood is in the United States. They figure it at about 100 billion feet; and the domestic pulp-wood consumption for the same year was about 1,500,000,000.

The CHAIRMAN. That is where you get the ratio of 1.6 per cent?

Mr. LYMAN. Yes.

The CHAIRMAN. That is all.

Mr. CALDERHEAD. Another question. At the same time that this contract was made for 500 tons of paper at $2.08 contracts were made by another paper company for the supply of paper for the next year—this coming year—at $2.14; and in another newspaper office in my State, when I made that statement, they showed me correspondence in which they were tendering them paper at $2.85 for Chicago paper and $2.87 for paper from Buffalo, and contended that that was the lowest rate that they could make. How does it come that there is such a wide range in prices?

Mr. LYMAN. How recently was the last quotation? What was the difference in the period?

Mr. CALDERHEAD. The last week in October.

Mr. LYMAN. And were they both made at the same time, or practically the same time, or was there a period of six months in between?

Mr. CALDERHEAD. Oh, no; the other one was made the second week in August. The contract for $2.14 was made the second week in August. The contract at $2.08 was made between that time and the last week in October; and the offer of paper at $2.85 and $2.87 was in the last week in October. It all occurred within that short time. How did it come that there was such a wide range in the prices?

Mr. LYMAN. There has been a very great curtailment of production during the last three or four months.

Mr. CALDERHEAD. But how did it come that in sixty days there was such a wide range in prices?

Mr. LYMAN. It may be that they had not felt the effect of the drought in this particular mill by August; they may have had a surplus and not known how long the drought was going to continue. They may not have realized that it was going to be phenomenal, and may have made a low price accordingly. By the time they got to October——

Mr. CALDERHEAD. Do not misunderstand me. The price of $2.14 was made the second week in August, and the price of $2.08 was made sometime about the 1st of October.

Mr. LYMAN. I thought you were talking about a price of $2.85, or something like that.

Mr. CALDERHEAD. And the price of $2.85 was made the last week in October.

Mr. LYMAN. I have no doubt that the explanation is perfectly simple to anybody who knows the facts; but I do not know why it was. I do not think I am qualified to guess about a situation when I know so little about it.

Mr. CALDERHEAD. If there could be such a range within sixty days on a staple article of that kind, what good does the tariff do?

Mr. LYMAN. Of course it goes without saying that the tariff having remained the same, there could be no effect of the tariff on that. That is perfectly patent.

Mr. GRIGGS. The exportations of paper were, in quantity, 120,090,000 pounds, valued at $3,514,281 in the last year—the year to which this book refers.

Mr. LYMAN. The exportations of paper?

Mr. GRIGGS. Yes. Can you explain to me how they could do that?

Mr. LYMAN. Foreign business is generally based on pretty long contracts; and the conditions that prevail when you make your contracts for shipment to Australia, for instance, may be entirely different from the conditions which prevail when you are making your final deliveries.

Mr. GRIGGS. In round numbers, 49,000,000 pounds were exported to Canada.

Mr. LYMAN. Exported to Canada?

Mr. GRIGGS. Yes.

Mr. LYMAN. No; not from the United States.

Mr. GRIGGS. 48,810,734 pounds.

Mr. LYMAN. Of paper exported to Canada?

Mr. GRIGGS. Yes, sir; printing paper at that.

Mr. LYMAN. I do not think that is accurate. Forty-nine million pounds is 25,000 tons; and if it is printing paper it is not news paper. There is no news paper exported to Canada.

Mr. GRIGGS. It is a printing paper, which includes news paper, magazine, book, plate, lithograph, music, and other kinds of paper.

Mr. LYMAN. It may be some of those things—hanging paper, or lithograph paper, or something of that kind.

Mr. GRIGGS. It does not include that.

Mr. LYMAN. But it is not news paper. I do not think there has been any news paper sent to Canada at all. They have a duty of 15 per cent against us.

Mr. GRIGGS. You think you can not compete with them, now, with that duty?

Mr. LYMAN. I know that when we fear their competition here, we are not likely to be in a position to go over there with our paper.

Mr. GRIGGS. Do you not think you are a little too much afraid of each other on each side of the line? I know that when I go over to Canada they are very much afraid of the Yankees.

Mr. LYMAN. Yes.

Mr. GRIGGS. And when I talk to a Yankee down here, he is very much afraid of the Canadians. Can not you and I agree on that? Let us agree on one thing to-night.

Mr. LYMAN. If you and I should fix up anything, it would have to be in the nature of a compromise. I do not think that our apprehension is ungrounded. We have a great deal at stake.

Mr. GRIGGS. Do you think their apprehensions ungrounded?

Mr. LYMAN. Oh, if you took the duty off there, there would be no paper going up there except through a deliberate move to kill them, which other countries used to do to us on certain commodities before we had duties on them.

Mr. GRIGGS. Suppose we took the duty off here—there would be nothing coming here except through a deliberate move to kill us, would there? The reverse is true, is it not?

Mr. LYMAN. Oh, no. They are making a surplus, a great deal more than they require, over there; and they have got to place it over here.

STATEMENT OF DAVID S. COWLES, OF NEW YORK CITY, WHO THINKS THAT THE PRESENT DUTIES ON PAPER AND PULP SHOULD BE RETAINED.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. What is your residence?

Mr. COWLES. New York, sir.

The CHAIRMAN. Proceed, Mr. Cowles.

Mr. COWLES. Mr. Chairman and gentlemen, what I have to say will not take more than about five minutes.

The CHAIRMAN. You can not always tell about that.

Mr. COWLES. I feel that the amount of data that the special investigating committee has collected covers practically all the points that this committee may require, so far as statistics are concerned. But there are a few questions of general policy which I think enter into this whole question even more, perhaps, than statistics do, and with your consent I should like to suggest one or two of them.

The tariff laws of the United States are framed to provide revenue for the Government and to protect, and thereby develop, the industries of the country and give constant and profitable employment to both capital and labor. The Republican party has pledged itself to a revision of the tariff along these lines, but not in any way in departure from them. It does not stand for free trade or for a tariff for revenue only. Excessive rates should undoubtedly be reduced if it be proven that such rates exist, but no industry should be singled out for destruction at the demand of some other interest, no matter how powerful and influential that interest may be. The present tariff rates on pulp and paper are equivalent to 10 per cent on ground wood pulp and 15 per cent on news-print paper. If the entire tariff were framed for revenue only, and the protective features were eliminated, the rates on pulp and paper could not be lower. The demand for free pulp and paper was and is made upon the charge that there is an illegal combination in restraint of trade among manufacturers of pulp and news print in this country, and added to that the unsubstantiated argument that the country must have free pulp and paper in order to preserve the American forests. A most searching investigation by a special committee of Congress developed that the first charge was false and the other erroneous. It is a well-known fact that the manufacture of wood pulp and news-print paper has not in the past, and does not now return 5 per cent per annum upon the capital invested in the industry. A removal of the present duty would result in the rapid liquidation of the industry, destruction of the forest lands owned in the United States by the manufacturers of news print, a great loss of invested capital, labor thrown out of employment, and numerous towns and villages which have grown up around paper-making centers and dependent upon them being wiped out.

It must be remembered that the manufacture of news print is based upon water power, and the proximity of such powers to spruce forests. These conditions are found back in the woods, so to speak, and where these manufacturing plants have been developed communities have grown up around them and are dependent upon them. It is not only the capital invested in the industry which would be destroyed and the labor employed thrown out of employment, but the value of real estate in lands and houses and the business of the storekeepers and merchants would be depreciated, and ruin to many the inevitable consequence.

It is not my purpose to reiterate the details of facts and figures which are furnished in the statement of Mr. Chester W. Lyman, of the International Paper Company, further than to say that my knowledge of conditions, and familiarity with the paper-making industry, leads me to indorse fully what he has stated, with one exception, that my companies make better paper than his do, and where he gets 2¼ cents we should receive 2.35.

Mr. GRIGGS. You do not indorse that statement?

Mr. COWLES. I say I do not indorse the statement that his paper is superior.

I wish to bring prominently to your attention that the danger to the paper-making industry in this country is not alone from cheaper wood in Canada and cheaper wood and low-paid labor in Europe, but from English and European capital, which is satisfied with a return upon its investment on which we in America can not live. It is a well-known fact that in the old countries capital has been accumulating for hundreds of years, and a return of 3 per cent per annum, or 4 per cent at most, is considered a satisfactory return. Where capital can be commanded for manufacturing and trading purposes at such rates, the wages of labor fall to the starvation point. This may seem an extraordinary statement to many, but it is a fact, notwithstanding. When invested capital is insufficiently remunerative, it inevitably leads to a readjustment of wages and other costs of production. Capital and labor go up and down together. If the employment of capital secures an adequate return, capital does not begrudge high pay to labor. If capital is pinched and reduced in earning capacity, the corners are cut, further development ceases, strict economies of all kinds are enforced, and wages and hours quickly feel the depressing influence. We can not stand in this country low and inadequate returns on capital any more than we can stand low wages and long hours of labor. The two go together. It is a law of trade that capital and labor prosper or suffer together. The cheap capital of Europe invested outside of the United States, if its product is admitted free, is as fatal to American industries and American labor as the cheap labor of China. If, therefore, the small tariff protection which the American paper maker has should be taken from him, the consequence would be that the cheap capital of Europe would destroy both the capital and labor invested in the paper-making industry in America.

It has been charged that paper making is destructive of the forests. My companies are owners of large tracts of timber lands. These lands are the basis of all of our operations. They are our raw material, and upon their preservation depends our position in the industry and the earnings of our capital. They are cut strictly according to the best known forestry methods practicable in this country at the present time, under the supervision of an educated forester, and are cut so as to not only secure a supply of pulp wood, but so as to facilitate and increase the growth of the forest. In cutting for pulp wood not less than 25 per cent more wood is utilized on the average from each tree than is the case where the same forest is cut for lumber purposes, because the log is brought out up to a 5-inch, and in some cases 4-inch top, as against an 8-inch top for sawing lumber.

What is true of our operations is in the main true of the industry at large where interested in timber lands. The present tariff rates

have been in existence for many years. They have worked no injustice to anyone. They are about the lowest in the whole list, have been used for no improper purpose, to remove them or lessen them would be an unwarranted injustice and bring ruin to a great industry, If, by any chance, the great paper-making industry should be transferred to Canada, or other foreign land, I would remind the newspaper publishers who are urging free pulp and free paper that under the British flag the Sherman antitrust laws do not run, and that combinations to advance the price of commodities exported to foreign lands are both approved and encouraged.

Attached to this memorandum is a detailed statement showing the percentage of increase in wages which my own mills are now paying as compared with the wages paid in 1898.

Scale of wages, Lisbon Falls Fiber Company and Pejepscot Paper Company, pulp and paper mills.

	1898.[a]	1900.	1903.	1908.[b]
Machine tenders	$3.00-3.25	$3.50	$3.75	$3.75
Second hands	1.75	2.00	2.50	2.50
Third hands	1.35	1.50	1.75	1.75
Fourth hands		1.50	1.50	1.50
Fifth hands			1.50	1.50
Engineer beaters	2.00	2.25	2.25	2.25
Assistant beaters	1.50-1.35	1.50-1.35	1.50	1.50
Steam engineers		2.50	2.50	3.00
Assistant engineers		2.25	2.50	2.50
Firemen		1.75	1.90	2.50-2.25
Finishers:				
Boss	2.00	2.25-2.00	2.25-2.00	3.00-2.50
Helpers	1.50	1.50	1.50	1.65
Wood room	1.50	1.50	1.50	1.65
Grinders and screens	1.50	1.50	1.50	1.60
Outside	1.25	1.25	1.50	1.50
Repair men				
Boss	2.50	2.75	3.00	3.00
Machinists	2.25	2.25	2.50	3.00
Carpenters	2.00	1.75-2.25	2.00-2.25	2.25
Acid maker	2.00	2.00	2.25	2.25
Cookers	2.00	2.25	2.50	2.50

[a] Two turns. [b] Three turns.

July 1, 1901, paper mills on sixty-five hours week; April 1, 1907, paper mills went on three tours.

Scale of wages, Lisbon Falls Fiber Company and Pejepscot Paper Company, pulp and paper mills, on twelve-hour, ten-hour, and eight-hour basis.

	1898.	1900.	1903.	1908.	Increase.
	12 hours.	*12 hours.*	*10 hours.*	*8 hours.*	*Per cent.*
Machine tenders	$0.27	$0.29½	$0.37 5/10	$0.46 5/10	73.70
Second hands	.14 5/10	.16⅔	.25	.31¼	114.04
Third hands	.11¼	.12½	.17 5/10	.21 5/10	94.67
Fourth hands			.15	.18¾	25.00
Fifth hands			.15	.18¾	25.00
Engineer beaters	.16⅔	.18¾	.22 5/10	.28⅓	68.76
Assistant beaters	.11¼	.12½	.15	.18¾	66.66
Firemen		.14⅓	.19	.28⅓	93.97
Grinders and screens	.12½	.12½	.15	.20	60.00
Acid maker	.16⅔	.16⅔	.22½	.28⅓	68.76
Cookers	.16⅔	.16⅔	.25	.31¼	87.58
Finishers:	*10 hours.*	*10 hours.*			
Boss	.20	.20	.20	.31¼	56.25
Helpers	.15	.15	.15	.20 5/10	37.33
Wood room	.15	.15	.15	.20	33.33
Outside	.12½	.12½	.15	.18¾	50.00
Boss	.25	.27½	.30	.37½	50.00
Machinist	.22½	.22½	.25	.37½	66.66
Carpenters	.20	.22½	.22½	.28⅓	40.63
	12 hours.	*12 hours.*	*12 hours.*	*12 hours.*	
Steam engineers		.20 5/10	.20 5/10	.31¼	50.24
Assistant engineers		.18 7/10	.20 5/10	.20 5/10	11.23

Mr. UNDERWOOD. You referred to the Sherman antitrust law as being injurious to your business. How does that affect it?

Mr. COWLES. I say that it does not prevail in Canada, and that if the industry is wiped out in this country and transferred to Canada the Canadian manufacturers can make all the combinations to advance prices they please and compel the publishers in this country to pay whatever price they choose to ask, because the publisher will have no relief from American manufacture after American manufacture has once been terminated here.

Mr. UNDERWOOD. Do you think that if we had absolute free trade on wood pulp and paper between this country and Canada it would wipe out the International Paper Company?

Mr. COWLES. I think it would very seriously jeopardize its existence; yes, sir—that is, its property. It might go through a reorganization or liquidation and get fresh capital. It would wipe out a large amount of its investment. There is not any question about that.

Mr. UNDERWOOD. Wherein would it need fresh capital?

Mr. COWLES. Where would it need it?

Mr. UNDERWOOD. Yes.

Mr. COWLES. To build mills in Canada, possibly.

Mr. UNDERWOOD. But I am talking about the International Paper Company as run in America.

Mr. COWLES. I think that is a wise business policy. It is our raw material, and if we are going to stay in the business we have got to have the raw material.

Mr. UNDERWOOD. I wanted your judgment on the matter. I asked you for your judgment.

Mr. GRIGGS. Are you not continually adding to your forest holdings?

Mr. COWLES. Yes, sir; as much as we can.

Mr. GRIGGS. Just as the sawmill men do—you buy all the land you can adjoining you?

Mr. COWLES. I think that is a wise proposition. It is our raw material, and if we are going to stay in the business we have got to have the raw material.

Mr. GRIGGS. Do you not pay for that out of the earnings of your company?

Mr. COWLES. Sometimes yes, and sometimes no.

Mr. GRIGGS. As a general proposition?

Mr. COWLES. We have not had enough earnings recently to enable us to pay for very much timber land out of them.

Mr. GRIGGS. That is simply last year; we all understand that.

Mr. COWLES. Yes; but I am speaking of a period extending over the last three or four years. If you go back five years, or go back ten years, the industry has not been a profitable industry.

Mr. GRIGGS. Did you not have good times in 1897, 1896, 1895, and 1894?

Mr. COWLES. There have been short periods when we had a fairly satisfactory price; but almost invariably before that condition came about the paper industry had put its product under contract for a long term of months, and did not profit by it.

Mr. GRIGGS. I will put that question in another form: Do you not put a large part of your earnings into the purchase of additional land?

Mr. COWLES. Yes, sir; we do. I will not say necessarily into the purchase of land, either, but back again into our business; yes, sir.

Mr. GRIGGS. And you do not count that in your profits? What you put back into the business, you do not count in your profits at all?

Mr. COWLES. Oh, yes; we do. It shows as part of our profits; but what goes into increased real estate and plant simply increases our holdings.

Mr. GRIGGS. I understand that; and you only show us your dividends? You only make an exhibit of your dividends?

Mr. COWLES. Oh, no; we do not make any exhibit at all. We are not a public corporation. We are a close corporation. We do not make any public report.

Mr. GRIGGS. I understand that you make no public report; but I presume you are willing to reply to the questions of the committee, like the gentlemen who have preceded you?

Mr. COWLES. I know precisely at the end of each month what we make, and at the end of each six months, and at the end of each twelve months.

Mr. GRIGGS. If you put a large part of that back into land holdings——

Mr. COWLES. It shows on the balance sheet; yes, sir.

Mr. GRIGGS (continuing). Then, out of that part which is left, you determine what your dividends shall be, preserving the working capital?

Mr. COWLES. Why, certainly; we determine what dividends we shall pay, of course.

Mr. GRIGGS. You are worth that much more every year, then, are you not?

Mr. COWLES. Certainly. That is what you call saving money.

Mr. GRIGGS. Then you have made that much more?

Mr. COWLES. You have made that much money; yes. If you have reinvested it in the business you have got it at risk in your business. You have not taken it out and put it into something else where it is not in jeopardy, but it has gone back again into your business and is at risk.

Mr. CLARK. When they talk about dividends here, they do not count the enhanced value of the property in with the dividends?

Mr. COWLES. I do not hear you, Mr. Clark.

Mr. CLARK. I say, when Mr. Hastings and the rest of them talk about dividends they do not count this enhanced value of the property in with the dividends; so that that answer is misleading. For instance, it is said that they only declared a 5 per cent dividend.

Mr. COWLES. When I say 5 per cent I mean net earnings. I do not mean a 5 per cent dividend.

Mr. CLARK. When you talk about 5 per cent net earnings, do you count in this increased value of your property and your increased holdings?

Mr. COWLES. Yes, sir. If I have $7,000,000 in my properties and I make $350,000 gross profit, I have earned 5 per cent on my $7,000,000.

Mr. CLARK. Yes.

Mr. COWLES. I might distribute half of that as dividends and leave the rest in the business; but my earning on my invested capital would be simply 5 per cent.

Mr. GRIGGS. How long have you been in the paper business, Mr. Cowles?

Mr. COWLES. I have been in the paper business for sixteen or seventeen years.

Mr. GRIGGS. Did you have much money when you went into it?

Mr. COWLES. I had more money than I have now.

Mr. GRIGGS. Did you lose it in the paper business?

Mr. COWLES. I lost a good deal of it; yes—all that I lost, I did.

Mr. GRIGGS. You state that as a fact, to go in the record?

Mr. COWLES. Well, perhaps that is a little extreme. The first two or three years that I was in the paper business I think it cost me about $250,000 or $300,000.

Mr. GRIGGS. You are worth more now, though, than you were when you started?

Mr. COWLES. Yes; I am.

Mr. GRIGGS. I am glad to hear that.

Mr. COWLES. Thank you.

Mr. CLARK. You are worth several million dollars more, are you not?

Mr. COWLES. Well, I do not think that has any bearing on the question of the tariff.

Mr. CLARK. Well, it does have a bearing on the question of profits, and what this committee is really trying to do is to get at the facts. I would not do you an injustice a bit quicker than the chairman of this committee would.

Mr. COWLES. Mr. Clark, it is a very curious thing, but both before the investigating committee and before this committee there has been a wonderful curiosity as to how much the paper-making industry earns. I have never heard the question asked as to how much the newspapers earn, and I can tell you that for every dollar that the paper-making industry earns the newspapers earn $1,000.

Mr. CLARK. If I were investigating the newspapers on the tariff question, if there was any tariff that affected them, I would go after them as I go after you, or as I tried to go after Mr. Hastings. I will tell you how we get to believe that there are enormous profits made in the paper business. If you print a thing often enough, people get to believe it, and one of two things is absolutely true. Either you have made enormous profits or all of these newspaper men in the United States that have been yelling around on this subject are either a lot of imbeciles or a lot of liars—one of the two.

Mr. COWLES. I would not call them either thing myself [laughter]; but I would say this: The whole movement, from the time it started up to the present time, is nothing but a persistent, concerted, deliberate bear movement on the paper market. It is to put down the price of news-print paper, and for no other purpose.

Mr. CLARK. I was simply telling you how people get the idea that there are these enormous profits.

Mr. COWLES. If the paper trade got together in a combination as the newspapers have, and undertook to put up the price of news paper, you would hear a howl; but they can get together to ruin our properties and drive our laboring people out of employment, and they can make our villages of no utility or use, and all that sort of thing.

Mr. GRIGGS. We were not appointed to investigate that, and do not want you to get that idea. We were appointed to investigate the tariff.

Mr. COWLES. Yes, sir.

Mr. GRIGGS. And you voluntarily came before us as a witness to offer some information that you thought we did not have. You understand that, do you not?

Mr. COWLES. Yes.

Mr. GRIGGS. And when we inquire for that information you ought not to get excited.

Mr. COWLES. I am not excited at all. [Laughter.]

Mr. GRIGGS. We are simply making straightforward, honest inquiries.

Mr. COWLES. Yes.

Mr. GRIGGS. If they may seem to strike too deep, of course we are sorry; but we have to know the facts, if we can get them. You are the only gentleman here to-night, at least since I came in, out of whom we have been able to extract any sort of information. I want to give you that much of a compliment. [Laughter.]

The CHAIRMAN. Of course newspapers are absolutely protected. There is a wall around the United States, and you can not get any foreign papers in. It does not require any tariff to protect them.

Mr. COWLES. Let me say something to you, Mr. Payne, and perhaps it will clear up that question in a way. Paper making was an industry in the United States long before paper making was ever thought of in Canada. There has never been a time to my knowledge when there has not been sufficient news paper produced in the United States to supply the entire consumption of the newspapers, excepting, perhaps, a little temporary, short, period when there might be a drought or some strange and unusual condition—a Spanish war or a Boer war, or something of that kind—and a temporary scarcity. The same thing might occur in any market—the wheat market, the sugar market, the cotton market, or any other market. There has never been a time when the productive capacity of news paper in the United States was not ample to supply all of the newspapers. Now, why do not the newspapers buy Canadian paper. To-day only a comparatively small amount of the product that is made in Canada is consumed there, and the balance is exported. They do not buy Canadian paper for the simple reason that they can buy American paper cheaper. There is no other reason.

Mr. CLARK. But they have to pay that $6 tariff to get it in here.

Mr. COWLES. No; they can buy it cheaper as it stands to-day.

Mr. GRIGGS. Follow up that idea for a word or two, please.

Mr. COWLES. They can get their paper to-day cheaper in America than they can import the Canadian paper.

Mr. GRIGGS. Why do you need a tariff?

Mr. COWLES. I beg your pardon?

Mr. GRIGGS. Why do you need the duty?

Mr. COWLES. Because we do not want the Canadian paper to come in and demoralize our market. It is not a question, simply, of the duty. Anybody who is familiar with markets knows perfectly well that a small surplus of 10 or 15 per cent will knock the remaining 90 per cent or 85 per cent into a cocked hat. If the duty was off of the

Canadian paper and the Canadian paper was brought into this country, Mr. Norris would get his quotation from a Canadian mill, and he would play that against the American mill. He would get a quotation from the American mill and would go back to the Canadian mill and would play the one against the other; and he would get it down to a point where both of them would be too sick to go any further, and then he would make his contract. That is the way those things work. It is not a question altogether of the amount of duty.

Mr. RANDELL. That would be competition.

Mr. COWLES. Yes; destructive competition.

Mr. CLARK. I want to ask you one more question. I do not know how much you have studied about it; but you know they have to raise so much money out of the tariff in order to run the Government. Do you think, in the light of what you have heard and read, that the paper industry pays its fair proportion of the revenues of the Government with this $6 tariff on it?

Mr. COWLES. I will answer that in this way: I think they do, because I do not see any reason, when an industry has grown up in a country and is adequate to supply the market with the material required, why it should be sacrificed to let a foreign product in for the purpose of creating an artificial revenue which does not naturally and properly belong to the Government; but if that is going to be done, why not let the newspapers pay their share? There is a grand, good opportunity for them to contribute to the prosperity of the Government. They do not pay any duty on anything. Let them go and buy some Canadian paper and bring it in.

Mr. CLARK. The trouble about that is exactly what the chairman suggested. There is no man on earth that has got sense enough to get a tariff out of newspapers, because there are no newspapers imported. We get revenue out of the tariff system on what comes in and not on what is shut out.

Mr. COWLES. But we do pay considerable duty.

Mr. CLARK. Oh, I know you do.

Mr. COWLES. I mean we buy and use articles which enter into the cost of manufacture and that are a part of the manufacture, and we pay duties to the Government.

Mr. GRIGGS. But you tax that against the ultimate consumer.

Mr. COWLES. Sometimes, no. Sometimes the consumers get their paper for less than it costs us to make it.

Mr. GRIGGS. But you try to.

Mr. COWLES. We try to; yes.

STATEMENT OF O. L. E. WEBER, OF MICHIGAN, REPRESENTING THE SULPHITE MANUFACTURING INTERESTS.

SATURDAY, *November 21, 1908.*

Mr. WEBER. Mr. Chairman and gentlemen, we occupy the peculiar position, or I do, of representing here the small mill that manufactures a high grade of Mitscherlich sulphite (so-called after the name of the inventor of the process), but that has little to do with the entire

process as a whole. Our production is comparatively small, manufactured in the United States. In view of the striking statement that has been made by Mr. Norris, that the European pulp can be made so advantageously and cheaply, and that our mills are not modern, and that we should look to them for relief, I would suggest that if Mr. Norris has any information which he can give to the sulphite manufacturers of this country tending to cheapen production, by means of their processes, I think he would be doing a great service to us.

Now, Mr. Chairman, in the brief that we have here, I say:

We, the Michigan Sulphite Fiber Company, together with the Great Northern Paper Company, Madison, Me.; the Dexter Sulphite Pulp and Paper Company, Dexter, N. Y.; the Interlake Pulp and Paper Company, Interlake, Wis.; the Detroit Sulphite Pulp and Paper Company, Detroit, Mich.; the Fletcher Paper Company, Alpena, Mich., from the years 1884 to 1889 built 6 mills for the production of sulphite by the Mitscherlich process.

To-day only 2 of these mills are making pulp for the market, the others having gone into the manufacture of paper, owing to foreign competition under the present duties.

To produce the high grades made by these mills requires additional labor for strength of stock by reason of the process employed, still more labor to obtain uniformity, and almost double the labor cost of ordinary grades for cleanliness, so that the total labor cost in making the high-grade sulphites amounts to at least $11 per ton, which the European obtains at from 35 per cent to 50 per cent of this figure (see reference sheet No. 1), which gives him an advantage of from $5.50 to $7.25 per ton above the American manufacturers in labor cost alone.

The best argument that it is impossible to manufacture these high-grade sulphites on this side is that practically none of it is being made here, while the Europeans have built nineteen new mills in the years 1907 and 1908, on which we have reports (see reference sheet No. 2), aggregating a yearly increase in production of 244,000 tons, to say nothing of the present mills which have largely increased their capacities.

According to European authorities, such as Mr. Dorenfeldt, this rate of increase is likely to continue for some years to come, or until the American market has been absorbed. (See reference sheet No. 3.)

This is shown by the fact that the imports of unbleached sulphite from Europe alone during the year 1906 were 12,922 tons and during 1907 were 50,962 tons, or an increase of nearly 400 per cent.

In 1908, notwithstanding the fact that the consumers of sulphite, or the paper mills of this country, were shut down, due to lack of business, to about 45 per cent of their production, and American and Canadian sulphite mills were idle even a greater proportion of time, the imports of European sulphites showed no decrease, as is evidenced by the importation of about 28,000 tons of unbleached sulphite for the first seven months of this year at prices which American sulphite mills were unable to compete with, although many of them went down to costs in their desperate efforts to secure business without avail. In evidence of this we beg to submit letters and prices under reference sheet No. 4, in which you will note that sulphite is being offered

for present delivery and 1909 delivery at from $1.80 to $2.08 per 100 pounds exdock New York for the strongest grades, which is lower than we can possibly manufacture for.

We are not alone in our opinion of the seriousness of European competition. Mr. H. H. Everard, an expert in the manufacture of sulphite who has recently made a trip to Europe expressly to investigate conditions on the Continent, in a letter dated November 14, 1908 (see reference sheet No. 6), states in part:

I was very much surprised to find the very best apparatus, all of the modern improvements, and latest inventions quite generally in use. I was informed also that not less than $20,000,000 in capital had been invested during the years of 1906 and 1907 in the building and equipping of new sulphite mills in Norway, Sweden, and Finland. This capital is furnished very largely by English companies. The Germans are making very large investments also in Finland.

It is impossible for the mills of this country to compete with the foreign mills in the production of the higher qualities of sulphite with our present wage scale. Unless there is a liberal increase in the present tariff we will be forced to abandon all efforts to produce the high-grade, strong sulphite. I am confident that an increase of one-sixth cent per pound duty on the European sulphite will not deter the Scandinavian product reaching our market at the present delivered prices.

Mr. James E. Campbell, secretary and treasurer of the Dexter Sulphite Pulp and Paper Company, in a letter under date of November 16, 1908, states:

As far as our company is concerned, I wish to say that the costs not only of labor, but also of raw materials, have advanced to such an extent that we are powerless to meet the foreign competition on sulphite. For instance, two paper mills at Brownville, within 3 miles of our mill, and one paper mill at Watertown, within 7 miles of our mill, have not bought any of our sulphite for eighteen months. These two accounts used to average about $8,000 per month. We have done everything in our power to get these paper mills back on our sulphite, and they are perfectly willing to use our product in the same quantities that they have always used it, provided we will meet the price on the foreign sulphite. These mills that I speak of are buying their Mitscherlich sulphite from Germany and Norway, and we wish you to fully appreciate that fact—that the prices which they have had and are having their sulphite delivered at these points are below our cost at the mill. (See letter in full under reference sheet No. 7.)

It is our belief that the mills of this country are entitled to a sufficient protection against European labor to enable them to make a reasonable profit, and while we are justly entitled to and had intended to ask for an increase in duty on the higher grades of sulphite, we find practical difficulties in differentiating grades at this time, and would, therefore, urgently request that no changes be made in the direction of lowering duties. We have endeavored to bring out only the principal reasons why American mills are unable to compete on high-grade sulphites under the present tariff. We shall be very glad to forward such additional information as we may have in our possession on any other phase of this subject as you may require.

All of which is respectfully submitted by

THE MICHIGAN SULPHITE FIBER COMPANY.

EXHIBIT A.

Name	Present position.	Wages per week.	European position.	Wages per week.	Per cent of American wages.
Albert Engler	Machinist	$16.50	Machinist	$7.50	45
Chas. Helwig	Machine tender	14.40	Machine tender	7.50	52
Frank Kabolnick	Cook	16.80	Cook	5.04	30
Otto Richert	Reel tender	11.40	Beater man	2.52	22
Jake Glombowski	Bin trimmer	9.60	do	2.52	26
Jos. Glombowski	Cook's helper	10.60	Rag cutter	2.60	25
Marin Zellan	Barker	9.60	Straw cooker	3.60	38
M. Minkowski	Screen tender	11.40	Watchman	3.00	26
John Feidler	Cook's helper	10.80	Bleach man	2.70	25
Albert Sieg	Laborer	9.00	Laborer	3.78	42
Michael Kern	Digester man	12.00	Fireman	5.04	42
John Ordowski	Laborer	9.00	Laborer	3.75	42
		141.10		49.55	35

The wages per week have all been figured on the same number of hours per week.

In some instances the wages for Europe have increased somewhat, these men inform us.

EXHIBIT B.

Partial list of European sulphite mills building and built in years 1907–8.

RECAPITULATION.

[See details following pages.]

	Tons.
1908	140,000
1909	44,000
13 new mills, at 10,000 tons each	130,000
2 increases, at 3,000 tons each	6,000
	420,000
Average per year rate of increase	140,000
Increase per year for 1907 and 1908	244,000

Partial list of European sulphite mills building and built in years 1907–8—Continued.

Name of mill.	Location.	Tonnage per year.	Year.
Sulphite mill	Svartvik	(a)	1907
Borga Sulphite Mill	Finland	(a)	1907
Kissakoski Sulphate Pulp Mill	Kissakoski	(a)	1907
Abo Sulphate Mill	Finland	(a)	1907
Logo Sulphite Mill	Logo	(a)	1907
Hurinn Sulphate Mill	Sweden	(a)	1907
Salboda Mill	do	(a)	1907
Molmbacka-Trysit	do	(a)	1907
Waldhof Sulphite Pulp Mill	Waldhof	(b)	1907
Gutzeits Sulphate Pulp Mill	Gutzeits	(b)	1907
Aktieselskabet Greaker Celluosafabrick	Greaker Sta. on the Glommen.	a 18,000	1908
Wifstavarfs Aktiebolog		20,000	1908
Kellner-Partington Mill	Borregaard	20,000	1908
Aktieselskabet Kotka Celluosafabrick	Kotka	20,000	1908
Sanda Sagverks Aktiebolog	Dal	10,000	1908
Kemitravorn Aktiebolog	Kemi	13,000	1908
Toten Sulphite Pulp Mill (Incorporated)		6,000	1908
Tofte Sulphite Mill (Incorporated)	Tofte	15,000	1908
Capt. Felbenannan Mill	Lahtes	(a)	1908
Skonvik Aktiebolog	Sweden	(a)	1908
Svano Aktiebolog	Svano	18,000	1908
Halla Sulphate Pulp Mill	Halla	(b)	1908
		140,000	
Sulphite mill	Gulskogen, Norway	12,000	1909
Sunds Aktiebolog		12,000	1909
Consulweise's Mill	Fredrikstad	20,000	1909
Sulphite Mill Aktieselskabet	Kramfors	(a)	1909
Molvens Celluosafabrick	Lake Mjosen	(a)	1909
Aktiebolaget Pulp Mill	Willmonstrand	(a)	1909
		44,000	

[a] New mills. [b] Increased.

Eight new mills and 2 increases in 1907; 2 new mills and 1 increase in 1908.

Name of mill.	Location.	Reference.
Sulphite mill	Svartvik	Paper Mill, October 31, 1908 (p. 12), by M. Villiers, British consul's annual report for 1907.
Borga Sulphite Mill	Finland	British Paper Maker, July 1, 1907 (p. 29).
Kissakoski Sulphate Pulp mill.	Kissakoski	British Paper Maker, September, 1907 (p. 308).
Abo Sulphate Mill	Finland	British Paper Maker, July, 1907 (p. 29).
Logo Sulphite Mill	Logo	British Paper Maker, September, 1907 (p. 308).
Hurinn Sulphate Mill	Sweden	British Paper Maker, July, 1907 (p. 27).
Salboda Mill	do	British Paper Maker, July, 1907 (p. 19).
Molmbacka-Trysit	do	Do.
Waldhof Sulphite Pulp Mill	Waldhof	British Paper Maker, November, 1907 (p. 606).
Gutzeits Sulphite Pulp Mill	Gutzeits	British Paper Maker, October, 1907 (p. 453).
Aktieselskabet Greaker Celluosafabrick.	Greaker Sta. on the Glommen.	British Paper Maker, July, 1908 (p. 5).
Wifstavarfs Aktiebolog		Paper Mill, October 31, 1908 (p. 12), by M. Villiers.
Kellner-Partington Mill	Borregaard	British Paper Maker, October, 1907, (p. 443).
Aktieselskabet Kotka Celluosafabrick.	Kotka	Do.
Sauda Sagverks Aktiebolog	Dal	British Paper Maker, November, 1907 (p. 599).
Kemitravorn Aktiebolog	Kemi	British Paper Maker, September, 1907 (p. 303).
Toten Sulphite Pulp Mill		British Paper Maker, October, 1907 (p. 443).
Tofte Sulphite Mill	Tofte	British Paper Maker, November, 1907 (p. 606).
Capt. Felbennan Mill	Lahtes	Do.
Skonvik Aktiebolog		Paper Mill, October 31, 1908, (p. —).
Svano Aktiebolog	Svano	British Paper Maker, June, 1908 (p. 772).
Halla Sulphate Pulp Mill	Halla	British Paper Maker, October, 1907 (p. 451).
Sulphite mill	Gulskogen, Norway.	British Paper Maker, July, 1908 (p. 5).
Sunds Aktiebolog		Paper Mill, October 31, 1908 (p. 12), M. Villiers.
Consulweise's Mill	Fredrikstad	British Paper Maker, October, 1907 (p. 443).
Aktieselskabet Molvens Celluosafabrick.	Lake Mjosen	Do.
Aktiebolaget Pulp Mill	Willmonstand	British Paper Maker, November, 1907 (p. 606).
Sulphite mill	Kramfors	British Paper Maker, June, 1908 (p. 779).

EXHIBIT C.

Mr. Dorenfeldt, who probably knows more about the sulphite trade in Europe than any other man, read the other day before the Norwegian Polytechnic Association a paper on the pyrite market and a proposed extraction works in Norway.

In this paper he used as one of his arguments the following statement, which we quote verbatim from his manuscript:

"The aggregate annual production of sulphite cellulose in Europe will from the end of this year or the beginning of next year be about 1,600,000 tons, of which about 950,000 tons falls to the part of Scandinavia and the Russian and German Baltic provinces. There has lately been a very rapid increase in the output of sulphite cellulose in all the countries which border on the Baltic, and this development will probably continue in the coming years for in those countries where the rivers flow to the Baltic there is a better supply of the raw material for making cellulose, the white pine (*Picea excelsa*), than in the rest of Europe. In any case there is, because of the sparsity of the population, a far greater surplus for sale, and because the cellulose industry allows of the most efficient utilization of small and medium sized logs, the building of new and the extention of old sulphite mills in the countries round the Baltic will most probably proceed in the future even more rapidly than in the past.

"The Norway and the Baltic countries: Sweden, Finland, Russia, and Germany so far as Stettin, will continue the same increase of the production as in the last three to four years, say, an average of 100,000 tons cellulose annually, I feel therefore tolerably convinced."

We have (says "Farmand") asked Mr. Dorenfeldt if he could vouch for these figures, which surprised us by their magnitude, as will probably also be the case with many of our readers. He assured us that he was convinced that the total production was not far from the figures he had given, which were based on reliable sources of information.—The Paper Maker, November 1, 1907 (p. 608).

The Aktien-Gesellschaft fur Maschinenpapierfabrikation Aschaffenburg is also doing a splendid business in both sulphite pulp and paper. The big sulphite pulp mill at Tilsit has declared a dividend of 20 per cent.—The Paper Maker, November 1, 1907 (p. 608).

The official statement of the Association of German Cell Stuff Manufacturers, addressed to the Berlin journal mentioned, refers to the fact that Germany produces a good deal more cell stuff than the country consumes, and is therefore obliged to seek foreign outlets even (to some extent), at low prices. This necessity is accentuated by the imports of foreign cell stuff, which supply part of the home demand.—The Paper Maker, August 29, 1908 (p. 22).

By Hans Lagerlof:

"It is estimated that the production in Sweden, Norway, and Finland during 1907 will be, for sulphite, 540,000 tons, and for sulphate, 100,000 tons. The increase in the output of sulphite will be 160,000 tons, and for sulphate decidedly more, in comparison, being 45,000 tons, or 45 per cent.—The Paper Maker, February 1, 1908 (p. 213).

EXHIBIT D.

LONDON, E. C., *October 10, 1908.*

DEAR SIRS: It being arranged with the head office in Hamburg that all business in wood pulp to the United States of America has to be made from here, the Hamburg office has instructed me to make you an offer, and I hereby beg to offer you, subject unsold and subject confirmation on receipt of order, as follows:

1. Bleached sulphite pulp:
   600 tons No. 735, first quality, delivery January–December, 1909, at $49.02.
   600 tons No. 737, first quality, delivery January–December, 1909, at $53.63.
2. Easy bleaching sulphite pulp:
   150 tons No. 590, first quality, delivery October–December, 1908, at $36.90.
   600 tons No. 590, first quality, delivery January–December, 1909, at $36.90.
   300 tons No. 706, first quality, delivery October–December, 1908, at $35.07.
   1,200 tons No. 706, first quality, delivery January–December, 1909, at $35.07.

800 tons No. 610, first quality, delivery October–December, 1908, at $35.94.
1,600 tons No. 610, first quality, delivery May–December, 1909, at $35.94.
800 tons No. 577, first quality, delivery May–December, 1909, at $36.58.
800 tons No. 5300, second quality, delivery May–December, 1909, at $35.63.
1,200 tons No. 544, second quality, delivery May–December, 1909, at $33.68.
150 tons No. 544, second quality, delivery October–December, 1908, at $33.68.

2. Strong sulphite pulp:
400 tons No. 623, first quality, delivery October–December, 1908, at $32.40.
800 tons No. 623, first quality, delivery May–December, 1909, at $32.40.
400 tons No. 576, first quality, delivery October–December, 1908, at $32.40.
1,200 tons No. 576, first quality, delivery May–December, 1909, at $32.40.
300 tons No. 598, first quality, delivery October–December, 1908, at $31.86.
2,000 tons No. 598, first quality, delivery May–December, 1909, at $31.86.
600 tons No. 5988, semifirst quality, delivery October–December, 1908, at $30.63.
120 tons No. 5289, second quality, delivery October–December, 1908, at $30.89.
300 tons No. 5289, second quality, delivery May–December, 1909, at $30.89.
400 tons No. 599, second quality, delivery October–December, 1908, at $30.57.
1,200 tons No. 599, second quality, delivery May–December, 1909, at $30.57.
150 tons No. 541, second quality, delivery October–December, 1908, at $30.57.
800 tons No. 541, second quality, delivery May–December, 1909, at $30.57.
550 tons No. 601, second irregular quality, delivery October–December, 1908, at $29.50.
800 tons No. 601, second irregular quality, delivery May–December, 1909, at $29.50.

3. Knot pulp:
500 tons No. 602, irregular quality, delivery October–December, 1908, at $21.46.
600 tons No. 602, irregular quality, delivery May–December, 1909, at $21.46.

4. Soda pulp:
500 tons No. 638, first strong quality, delivery October–December, 1908, at $30.04.
1,200 tons No. 638, first strong quality, delivery January–December, 1909, at $30.04.
400 tons No. 638, first strong quality, delivery October–December, 1908, at $32.61.
2,400 tons No. 615, first strong quality, delivery January–December, 1909, at $32.61.
400 tons No. 616, first extra strong quality, delivery October–December, 1908, at $33.68.
2,400 tons No. 616, first extra strong quality, delivery January–December, 1909, at $33.68.
400 tons No. 614, "Kraft" strong quality, delivery October–December, 1908, at $32.61.
2,400 tons No. 614, "Kraft" strong quality, delivery January–December, 1909, at $32.61.

all per ton of 2,000 pounds gross for net, cost of freight New York, Boston, Philadelphia, Newport News, and (or) Baltimore. Payment in London against B/Lgd. by bankers three months' acceptance, and such payment to be confirmed by the banker on placing contract.

The named prices include no wrapping in hessian, such wrapping being 61 cents per ton more.

I am at the same time sending you each one sample, and I do hope that some of these qualities might suit you and that you are willing to place a contract with me. If you should like to have bigger samples, please let me know of which qualities, and I shall send some by first mail.

Please note that if you want delivery of the following qualities, Nos. 610, 577, 5300, 544, 623, 576, 598, 5988, 5289, 599, 541, 601, and 602 before May, 1909, I must have your order latest end of this month, as the navigation because of ice closes first part of November.

Hoping to be favored with your good news, I remain, dear sirs, yours, faithfully,

ELOF HANSSON.

NOTE.—The dollar price given for short tons of 2,000 pounds instead of long tons of 2,240 pounds given in pounds sterling.

EXHIBIT R.

MUNISING PAPER COMPANY (LIMITED),
Kalamazoo, Mich., November 14, 1908.

Mr. O. L. E. WEBER, *General Manager,*
Michigan Sulphite Fiber Company, Port Huron, Mich.

MY DEAR SIR: Regarding the foreign costs of labor and materials entering into the manufacture of sulphite, I spent most of my vacation during the summer of 1907 among the sulphite mills of Norway and Sweden. As I am quite largely interested in the production of similar goods in this country, I was especially desirous of personally inspecting their methods and ascertaining, if possible, how they are able to sell the higher grades of sulphite in this market at such low prices. I was thoroughly convinced before leaving Sweden that unless there was an increase in our tariff, giving the labor on this side a greater protection, it would be folly to make any further increases in the capacity of our mills, and it would be good wisdom for any man interested in the business on this side to refrain from making further investment, as capital can not be used at a profit in this industry in competition with the lower wages paid in Norway, Sweden, and Finland.

The wages paid to the men in the woods for gathering this spruce will not exceed 50 per cent of the wages paid by Maine, New York, Michigan, Minnesota, or Canadian manufacturers. This would be a fair representation of the cost of all other labor that enters into the manufacture of sulphite in the above-named countries. With this low wage scale, they can well afford to employ a greater number of people in their mills for the purpose of sorting their wood and working out all defects, such as the black knots, small particles of the inner bark, discolored or decayed wood. Following the careful sorting and selecting of the chips, the amount of work used in their process tends to produce a very clean, high-grade, strong sulphite, at a cost not exceeding the most inferior qualities turned out in this country.

I was much surprised to find the very best apparatus, all of the modern improvements and latest inventions, quite generally in use. I was informed also that not less than $20,000,000 in capital had been invested during the years of 1906 and 1907 in the building and equipping of new sulphite mills in Norway, Sweden, and Finland. This capital is furnished very largely by English companies. The Germans are making very large investments also in Finland.

It is impossible for the mills of this country to compete with the foreign mills in the production of the higher qualities of sulphite with our present wage scale. Unless there is a liberal increase in the present tariff we will be forced to abandon all efforts to produce the high-grade strong sulphite. I am confident that an increase of one-sixth cent per pound duty on the European sulphite will not deter the Scandinavian product reaching our market at the present delivered prices.

I hope that the committee who may have charge of this branch of the tariff work will make a thorough investigation of the conditions abroad. I am very sure that they will recommend a large increase in the present tariff on the higher grades of sulphite.

Yours, very truly, H. H. EVERARD.

EXHIBIT F.

DEXTER SULPHITE PULP AND PAPER COMPANY,
Dexter, Jefferson County, N. Y., November 16, 1908.

O. L. E. WEBER, Esq.,
Michigan Sulphite Fiber Co., Port Huron, Mich.

MY DEAR MR. WEBER: Your letter of the 14th at hand and carefully noted.

A most important foreign channel for mill information has just opened to me, and taking advantage of my opportunity I have written a letter to my communicant, who is at present in a position as manager of one of the large German mills. I have written him for a detailed list of the wages paid to all the operatives, not only in the mill he is at present managing but also other mills of which he has had charge. It is unfortunate that this information will not be at hand for the 20th, and if possible could you arrange with the committee so that this evidence can be put in when it arrives?

As far as our company is concerned, I wish to say that the cost not only of labor but also of raw materials has advanced to such an extent that we are powerless to meet the foreign competition on sulphite. For instance: Two paper mills at Brownville, within 3 miles of our mill, and one paper mill at Watertown, within 7 miles of our mill, have not bought any of our sulphite for eighteen months. These two accounts used to average about $8,000 per month. We have done everything in our power to get these paper mills back to our sulphite, and they are perfectly willing to use our product in the same quantities that they have always used it providing we will meet the price on the foreign sulphite. These mills that I speak of are buying their Mitscherlich sulphite from Germany and Norway, and we wish you to fully appreciate the fact that the prices which they have had and are having their sulphite delivered at these points are below our cost at the mill.

This situation obtains with practically all of our other customers.

Our daily average production at our sulphite mill for the years 1901 to 1906, inclusive, amounted to about 9,100 tons per year. In 1907 this dropped to 6,516, and in 1908, for the ten months expired, about 5,000 tons production.

This gives you some idea of what we have suffered as far as production goes. In other words, during the years 1901 to 1906 our daily production amounted to 34 tons. It has been reduced in 1908 to 20 tons.

Considering the item of pay roll, our pay roll per ton of product produced in the years 1901 to 1906, inclusive, was $5.306. In 1907 our pay roll was $7.1888; in 1908, $7.28.

Cost of wood.

1901 to 1906, per ton of pulp	$13.28
1907	18.742
1908	23.91

Answering your first question: The only knowledge I have in regard to the building of additional sulphite mills in Europe is what hearsay evidence I obtain.

Answering your second question: If this increased product is produced, the foreign paper market never will be able to absorb it, which means that they will continue dumping sulphite in this country at prices which will practically shut up our mills.

Answering your third question: We do not believe that the depressed business condition has had much influence on the decline in our sale of sulphite. In other words, we believe that the present ruinous condition of prices in the sulphite market is due entirely to foreign importation.

Answering your fourth question: I received but a short while ago an offering of foreign sulphite continuing over the year 1909 at a very low price. At the present time I am not sure of the exact figures, as I sent the letter with the samples to Mr. Barratt, of the Union Bag and Paper Company, for his perusal.

Answering your fifth question: I do not know what other mills in the country can do, but I do not know that our mill can not run at a profit and meet the present foreign competition.

Have already answered questions 6 and 7.

Question 8. I do not know.

Answering question 9. I certainly should differentiate between importations of quick cook and Mitscherlich sulphites. The prevailing differential in this country between these two grades of sulphite has always been about 15 per cent, and I think that the duty should be differentiated on the same basis.

You may use this letter as you see fit, either for evidence or not, and I should be very glad indeed if I could encroach upon your courtesy sufficiently to ask you to represent our mill.

I would also suggest that you have Mr. Everard at the hearing without fail, as his trip to Europe a short while since places him in position to throw considerable light on the subject.

With very kind regards. and trusting that I may hear from you, I beg to remain,

Yours, very truly, JAMES E. CAMPBELL.

Mr. J. E. CAMPBELL,
Dexter Sulphite Pulp and Paper Company, Dexter, N. Y.

DEAR SIR: At the recent meeting of the American Pulp and Paper Association I stated that it was the intention of our company (The Michigan Sulphite Fiber Company) to ask for an increase in duty on European high-grade sulphites, for the reason that the paper mill formerly using considerable quantities of our best grades have offers for immediate shipments or on contracts covering the year 1909 for all their requirements, at prices we could not meet at any reasonable profit, quick cook or direct—indirect being represented as Mitscherlich, when in fact we are advised there are but mighty few Mitscherlich mills in Europe, and few of these exporting to this country.

Our costs for wood, sulphur, coal, and labor have increased during the past ten years about three times as much as the increase in our selling price, and as we can figure out no way to decrease these it is our opinion that the paper mills or the trade using the paper into which our sulphite enters will find it no great hardship to pay the increase which a change of duty will bring about, i. e., one-sixth to one-third of a cent per pound ($3.33 to $6.66 per ton) on unbleached, and from one-fourth to five-twelfths of a cent per pound ($5 to $8.33 per ton) on unbleached sulphite of the higher grades.

Inasmuch as I have been asked to appear at Washington on Friday, the 20th, may I ask you to write me at the earliest date possible, addressed to Port Huron, Mich., what your views on the subject are, and if in accordance with ours, may I ask you to give us all the information you can, and especially on the following questions, giving references to authorities:

First. What knowledge have you on the building of additional sulphite mills in Europe, the product of which is intended for this market?

Second. What, in your opinion, will be the effect on mills in this country if this product is imported under the present duties?

Third. Have the European importations affected your sales, or do you attribute the present low prices entirely to the business depression?

Fourth. Do you know that European sulphite has been offered in sufficient quantities on future long-time contracts to seriously affect your prices? (Give particulars if possible.)

Fifth. Can mills in this country run on a reasonable profit if obliged to meet this competition?

Sixth. What do you know as to the wages received by employees in European mills by day, or week, and preferably by the ton of sulphite produced?

Seventh. Have you any information as to the cost of wood per cord, or ton of manufactured product?

Eighth. Do you know of any cases where pulp has been shipped to this country as ballast, or on a nominal ocean freight?

Ninth. Would you differentiate between quick-cook, direct-indirect, and Mitscherlich sulphites; and if so, how? Or, on account of practical difficulties and as a manufacturer of Mitscherlich pulp, would you have sulphite declared as above on importing, and ask for the increase in duty on Mitscherlich only for the moral effect?

Kindly give facts and figures as fully as possible and any other information you conveniently can, so that I may have your letter by Tuesday, as data should be prepared Wednesday, following with any further suggestions you might have to make.

Would like to use your letter as evidence if necessary, but will not do so if you do not wish it, using data only for our information.

You understand that I do not presume to represent any of the Mitscherlich mills but our own, although shall be very glad to follow such suggestions as you may have to offer.

As Mr. Everard is pretty well posted on the European situation, I am in hopes he will consent to go to Washington in my place.

Yours, very truly,

MICHIGAN SULPHITE FIBRE CO.,
O. L. E. WEBER, *Manager.*

November 14, 1908.

(Exhibit F is in reply to this letter.)

EXHIBIT G.

EUROPEAN LABOR.

Statements by employees of the Michigan Sulphite Fibre Company.

I, Charles Helwig, have worked in a paper mill at Danzig, Germany, where I was a machine tender. The machine I ran was about 66 inches in width and ran about 200 feet per minute. I had an oiler or back tender and two reel tenders, same as I have here. In this mill there were two men in the beater room tending nine beaters, and on the whole I think that the amount of help around the mill was about the same as here.

CHAS. HELWIG.

I, Michael Kern, was a fireman in the City Electric Power Plant in Vienna, Austria, where I tended one large boiler with four furnaces. The boiler was about the same size as the No. 5 boiler in this mill, which has four furnaces and is tended by one man. The work over there was about the same as here.

MICHAEL KERN.

I, John Feidler, was a bleach man in the paper mill at Gratwin, Austria, where I mixed all the bleach myself, sometimes with one helper. In this mill they had five upright quick-cook digesters, which were tended by one cook and two helpers, working twelve-hour shifts same as they do here. In my opinion there was about as much help around that mill as here.

JOHN FEIDLER.

I, Martin Zellan, worked as cook in a mill at Gratwin, Austria, where there were seven straw cookers. There was one cook and two helpers on each shift of twelve hours each.

MARTIN ZELLAN.

I, Frank Kabolnick, worked as a cook foreman in the paper mills at Gratwin, Austria, in the sulphite department. I have also worked at the Kellner-Partington mills, at Hallein, Austria. At Gratwin we have five digesters which were tended by a cook and four helpers, who filled and emptied the digesters. Here we have a cook and second cook on each shift and six helpers or digester men for emptying and filling, which is exactly the same amount of help to tend the same number of digesters. In my opinion there are about the same number of men to do the same amount of work over there as there are here.

FRANK KABOLNICK.

I, Albert Sieg, was a helper in the sugar mills at Dirschau, Germany. I found that there was not much difference in the amount of work I was required to do there than there is here. I worked from 6 o'clock in the morning till 6 at night, but had an hour for noon and a half hour in the morning and in the afternoon for lunch, which made eleven working hours in all.

ALBERT SIEG.

I, Jacob Glombowski, have worked in a paper mill in Steirmetz, Germany, where I was a beater man. There were four men on the shift tending eight beaters, which we loaded and emptied. This was about the same amount of work I have been accustomed to do here, and I have not noticed any difference in the number of men about a mill in Europe or America of the same size.

JACOB GLOMBOWSKI.

STATEMENT OF GEORGE F. STEELE, OF PORT EDWARDS, WIS., RELATIVE TO QUICK-COOKED SULPHITE PULP.

SATURDAY, *November 21, 1908.*

Mr. STEELE. Mr. Weber has spoken for the makers of Mitscherlich, or slow-cooked, strong sulphite pulp. The information which he has presented will also serve in large measure to inform you concerning the situation which exists in the making of quick-cooked sulphite

pulp, which constitutes by far the larger share of the sulphite produced in this country. I desire to present some further information in regard to this branch of the industry.

The total production of sulphite pulp in the United States amounts to 4,000 tons daily, or about 1,200,000 tons annually. The capital employed in the construction of mills, investments in water powers, mill sites, and working capital amounts to about $60,000,000. This does not include the value of timber lands, which would greatly increase the total investment. Excluding the investment in timber lands, the capital is turned over once in about fifteen months, but if sufficient timber land were acquired to enable the owners to practice reforestation the turnover would be considerably slower.

The industry employs from 8,000 to 10,000 men in and around the manufacturing plants, and many more in the woods getting out the timber, transporting it to the mills, and marketing the product.

The output of the industry has increased from 200 tons daily in 1890 to 4,000 tons daily in 1908. Of this amount, about 3,000 tons is made directly into paper by the mills producing it and about 1,000 tons per day are put on the market for sale to paper mills which do not produce their own sulphite.

To give an instance of the cost of establishing a sulphite plant, we will take a mill producing 60 tons of sulphite pulp per day. Such a mill would require about 40,000 cords of spruce or hemlock timber annually, and in order that the land might reproduce the timber as fast as it was used there would be needed theoretically 120,000 acres of land. This estimate is based on spruce land, well timbered and running heavily to spruce, but in practice the amount of land required would be very much greater, owing to the impossibility of obtaining bodies of timber land free from much waste and barren land and tracts covered with other kinds of timber. In the most favored locations this would entail a permanent ownership of about 150,000 acres for a 60-ton sulphite mill. I doubt if such a tract could be obtained in this country to-day at less than $20 per acre, equivalent to an investment in land of $3,000,000.

The cost of equipment of such a sulphite plant and its working capital would be about $900,000, so that we would have a total amount of $3,900,000 invested.

The annual product of such a mill at present selling prices amounts to about $700,000, which shows a turnover of the capital employed of once in five or six years. The interest charge on so large an investment at 6 per cent would be $234,000, or about $13 per ton of pulp produced. Thus anything which would affect the profits of the sulphite industry would seriously affect a large amount of capital.

Practically no sulphite pulp is exported, as costs in Canada and Europe are considerably below our costs. Owing to the rapid building of mills in this country and abroad prices have been kept below a point affording a reasonable profit. Owing to the low European labor cost the output in this country, protected by a duty amounting to only 8⅓ per cent, has never afforded a fairly remunerative return on capital, for the price in this country is fixed by the European and Canadian offerings.

Owing to the technical nature of the industry, and the experimental character of the business from its inception, necessitating frequent

changes in equipment, the business has been lacking in fair profits. The depreciation and upkeep of a sulphite pulp mill is unusually high, owing to the use of destructive acids in the manufacture of the product.

Figures have already been sumbitted to you showing the great difference between European labor costs in this industry and those which are paid in this country. I desire to submit herewith (Exhibit A) the statement of the wages paid in the Scandinavian sulphite mills. This statement covers the wages paid in the mills belonging to the Scandinavian Sulphite Association, which includes practically all the Swedish and Norwegian sulphite mills. I have been informed that this association is recognized by the governments of Norway and Sweden, and not only fixes uniform wages for employees, but also fixes uniform selling prices and establishes trade customs.

I also beg to submit a statement (Exhibit B) showing the comparative wages paid in the mills of the Scandinavian Association and in a representative United States mill. This statement shows comparative wages of men in similar positions. The general average wage per hour in the Scandinavian mills amounts to $10\frac{7}{10}$ cents per hour, and in the American mill to 26.59 cents per hour. The American wages average 248 per cent higher than those paid in the Scandinavian mills. The average cost for labor in an American quick-cooked sulphite mill is about $5 per ton. The European wages, as shown by the official table of the Scandinavian mills, average 40 per cent of the American wages, or about $2 per ton, leaving a difference between the American and Scandinavian wages of $3 per ton.

The duty on foreign sulphite imported into this country is $3.32 per ton, or about equal to the difference in labor cost between that paid in Norway and Sweden and America. I understand that the wages in Germany are about the same as in the above-mentioned countries, while the wages in Finland and Russia are lower. If the low wages of operatives engaged in cutting the pulp wood were taken into account, the duty would amount to considerably less than the difference in the total labor cost. There are also other advantages which the foreigner possesses, which give him still further aid in underselling us in our own territory.

I submit a statement (Exhibit C) showing that in the year 1907 there were 110,000 tons of foreign unbleached sulphite imported into this country, while American mills were short of shipping up to their full capacity to the extent of 84.000 tons. During this period the foreign mills shipped into this market 39 per cent of the pulp sold.

During the present year the situation has been much more serious for the domestic producer, for the recent tremendous increase in production abroad has resulted in a foreign market, which has been badly congested, and has caused a frenzied effort on the part of the forgein producer to market his surplus product in this country, without much regard to cost. I understand that the foreign associations which govern the selling prices have authorized the dumping of the product of their members at a price ruling much below the price abroad, and actually in some cases below the cost of production. This leads to the suggestion that an antidumping law would tend to cause greater stability of prices and to afford more adequate protection to the American manufacturer and working man.

This serious attack upon our home business has occurred at a time when our own business was badly crippled from the effects of the general business depression. Some of the American mills ran only one-third of the time during the first six months of the year, and the average output of the American mills was not over 50 per cent of their normal productive capacity.

The Swedish and Scandinavian mills have advantages not possessed by the American mills. Their cheap labor, as shown above, is naturally their chief advantage. But they also have the advantage of low construction costs for their buildings and machinery. They have large and cheap water powers, and low transportation costs, owing to abundant inland waterways. Their ocean freights are also exceedingly low, as freight is often taken at practically ballast rates. Their wood is also said to be lower in price than the spruce wood largely used by the American mills.

In view, therefore, of the magnitude of this industry, and the advantages possessed by our foreign competitors, we confidently look to your committee not to penalize an industry struggling against unequal odds and fighting to maintain the American home market against the onslaughts of foreign competition, and earnestly request the retention of the present rate of duty on unbleached sulphite.

I thank you for your courtesy and regret that the illness of an American manufacturer, much better equipped than I to give information to your committee, necessitated the hurried and imperfect preparation of this statement.

(The exhibits referred to by Mr. Steele are as follows:)

[Norwegian division of the Scandinavian Cellulose Company.]

EXHIBIT A.—*Wages I, fourth quarter 1907, sulphite factories.*

[NOTE.—In the present table time for meals and rest is in all cases included in the term "shift."]

[Translation.]

	Day's wage for laborers with—		Piecework, average earnings per day.		Free house or other conveniences (other than money).	Additional for overtime and holidays.	Special conditions.
	8-hour shift.	12-hour shift.	8-hour shift.	12-hour shift.			
Wood cleaners: Foremen.	E^{II} 1,400 kroner per year. E^{III} Monthly salary.	A^{I} Hole boys, 2.50 Sieve boys, 2.20. A^{II} Chip boy, 2.25. Block master, 3.25. Planer, 3.50.	.....	A^{I} 5.50..... A^{III} 5.20. A^{IV} 4.96¼. A^{V} 5.37. A^{VI} 5.41. B 5.75. C^{I} 4.87. C^{II} 4.21. R 4.66. E^{I} 5.01.	.....	A^{I} General remark: For overtime, 50%. B 25% and 50% respectively. C^{I} 25% to 50%. D General remark: 25%, 50%, and up to 100% for each holiday's work; for example, water work, cleaning of vats and conduits, etc. E^{I} General remark: Overtime 25%, holidays 50%. E^{II} General remark: 25% for the first 2 hours, 50% for all other overtime, 100% for Christmas, Easter, and Pentecost. E^{III} For the first 2 hours after the close of ordinary overtime on the first 5 workdays in the week 25%; for all other overtime work on any week day or holiday, 50%; for the great festivals—Christmas, Easter, and Pentecost, 100%.	A^{I} Mechanics receive for the first 10 hours 50% additional; after that, 100%. C^{I} General remark: No additional pay for regular holiday work in the factory.

EXHIBIT A.—*Wages I, fourth quarter 1907, sulphite factories*—Continued.

	Day's wages for laborers with—		Piecework, average earnings per day.		Free house or other conveniences (other than money).	Additional for overtime and holidays.	Special conditions.
	8-hour shift.	12-hour shift.	8-hour shift.	12-hour shift.			
Wood cleaners: Other than foreman.		E II 3.90. E III 3.40		A I 4.50. A IV 4.46 (cutters). 4.29 (hewers). A III 4.40. A IV 4.45½. A V 4.94. A VI 4.62. B I 4.35. C I 4.44. C II 4.53–3.80. D I 3.40. E I 4.55. E III 4.40.		A I 50%. B 25% and 50%, respectively. C I 25% and 50 %, respectively. D See above. E I 25% and 50%, respectively. E II See above. E III See above.	
Stokers	C I 3.28. C II 1st stoker 3.55. E III 3.90.		A I 5.06. A II 4.68. A IV 3.64. A V 4.60. A VI 4.56+overtime. B 4.69. E I 4.75. E II 3.80.	A III 5.75. D 4.45.		A I For Sunday work, 2 kroner additional for those who are on the 8-hour shift. C I 25%–50%. D See above. E I 25%–50%. E II See under wood cleaners. E III See under woad cleaners.	A II On duty every third Sunday. C I No additional pay for regular holiday work in the factory. C II In part Sunday work.
Stoker's help	A II 3.50. C I 3.12. C II 2d stoker 3.25. E III 2d stoker 3.60.	E II 3.60	A I 4.12. A IV 3.11. A V 4.23. B 4.02. E I 3.86. E II 3.67.	A I 4.80 (chip vat). A III 4.66. A VI 4.44. D 4.00.		A I For Sundays, 2 kroner additional for those who are on the 8-hour shift. C I 25%–50%. D See under wood cleaners. E I 25%–50%. E II See under wood cleaners. E III See under wood cleaners.	A II On duty every third Sunday. C I See under stokers. C II See under stokers.
Coal wheelers (on wheelbarrows).	B 3.00. C I 2.96. E II 3.50. E III 3.60 (beaters).	A I 3.75. A II 3.25. E I 3.75.	A V 4.23. A VI 3.80+overtime.	A III 4.40. A IV 3.39.		A II 50%. C I 25%–50%. D See under wood cleaners. E I 25%–50%. E II See under wood cleaners. E III See under wood cleaners.	A II On duty every other Sunday. C I See under stokers.

Boilers: foremen	C^{II} 1st boiler 5.00		A^{I} 6.05 A^{II} 5.13 (boiler). A^{IV} 5.39. A^{V} 5.70. A^{VI} 6.04. B 5.23. E^{II} 4.88 (chief boiler). E^{III} 5.09 (1st boiler).	A^{III} 6.53 E^{I} 5.96.	A^{VI} Free lodging.	A^{I} For Sundays 2 kroner additional. D See under wood cleaners. E^{I} 25% and 50%, respectively. E^{II} See under wood cleaners. E^{III} See under wood cleaners.	A^{II} On duty every other Sunday. C^{II} Sunday work.
Boilers: other than foremen	C^{I} 4.80 C^{II} 2d boiler 4.00.		A^{I} 4.12 A^{II} 4.46 (boy). A^{IV} 3.31. A^{V} 5.00. A^{VI} 3.99. B 4.20. E^{II} 4.11. E^{III} 4.36.	A^{III} 4.66 D 4.35. E^{I} 4.55.		A^{I} For Sundays 2 kroner additional. C^{I} 25%-50%. D See under wood cleaners. E^{I} 25%-50%. E^{II} See under wood cleaners. E^{III} See under wood cleaners.	C^{I} See under stokers. C^{II} See under stokers. C^{II} Unloaders and loaders 32 kroner per week, no fixed division into shifts. About 10 periods of work per week. E^{II} For boiling and chemical division: 1 foreman with yearly salary of 1,500 kroner.
Oilers		A^{I} 3.25 C^{II} 3.50. E^{III} 3.70.	E^{I} 4.06	A^{III} 4.66 A^{IV} 4.30. A^{V} 5.37. B 5.02. D 4.65. E^{II} 4.15.		B Overtime 50%. C^{I} 25% and 50%. C^{II} For the first 2 hours after ordinary work time on the first five work days of the week, 25%. Otherwise 50%, except for Christmas, Easter, and Pentecost, when it is 100%. D See under wood cleaners. E^{I} 25% and 50%, respectively. E^{II} See under wood cleaners. E^{III} See under wood cleaners.	
Washers		C^{I} 3.00 C^{II} 3.00.		A^{I} 5.26 and 4.80 A^{II} 4.32. A^{III} 4.40. A^{IV} 5.73 first pulpshoveler (knot strainer attendant) and 4.68 kroner (second knot strainer attendant). A^{V} 4.95. A^{VI} 5.08 (strainer boys).		C^{I} 25%-50%. C^{II} See under oilers. D See under wood cleaners. E^{I} 25% and 50%, respectively. E^{II} See under wood cleaners. E^{III} See under wood cleaners.	

EXHIBIT A.—*Wages I, fourth quarter 1907, sulphite factories*—Continued.

	Day's wages for laborers with—		Piecework, average earnings per day.		Free house or other conveniences (other than money).	Additional for overtime and holidays.	Special conditions.
	8-hour shift.	12-hour shift.	8-hour shift.	12-hour shift.			
Washers				B 3.76. D 3.40. E[I] 4.35. E[II] 4.25–4.40. E[III] 4.73.			
Pulp wheelers (in wheelbarrows).		C[I] 3.25. E[I] 3.75.	A[V] 4.23	A[I] 5.26. A[II] 4.57. A[III] 4.66. A[VI] 5.03. B 5.05. C[II] 4.30. D 3.60. E[III] 4.73 (trimmer).		C[I] 25%–50%. D See under wood cleaners. E[I] 25%–50%. E[II] See under wood cleaners. E[III] See under wood cleaners.	
Paste machine attendants.		C[I] 4.00 and 3.80 (machinists). C[II] 3.75.		A[I] 6.23. A[II] 4.83. A[III] 5.75. A[IV] 5.15. A[V] 6.66. A[VI] 6.59 and 5.03 B 5.93. D 4.55. E[I] 5.74. E[II] 4.97. E[III] 5.21.		C[I] 25%–50%. C[II] See under oilers. D See under wood cleaners. E[I] 25% and 50% respectively. E[II] See under wood cleaners. E[III] See under wood cleaners.	
Weigher boys		A[I] 2.50. C[I] 2.50. C[II] 3.25.		A[III] 4.40. A[IV] 4.42. A[V] 4.05. A[VI] 3.96. E[I] 4.55.		C[I] 25%–50%. C[II] See under oilers. D See under wood cleaners. E[I] 25% and 50% respectively. E[II] See under wood cleaners. E[III] See under wood cleaners.	
Scissors boy		B 2.40. C[I] 2.50. C[II] 2.75. E[III] 3.80.	A[II] 3.05. A[III] 3.76.	A[I] 3.92. A[IV] 2.60. A[V] 4.05. D 2.50. E[I] 4.22. E[II] 3.62.		B 25% and 50% respectively. C[I] 25%–50%. C[II] See under oilers. D See under wood cleaners. E[I] 25% and 50% respectively. E[II] See under wood cleaners. E[III] See under wood cleaners.	
Pressers and packers.			A[III] 3.76	A[I] 3.55 (pressers).		B 25% and 50% respectively. C[I] 25% and 50% respectively.	C[II] Employed together with "sewing boys" as a rule

			E[II] 4.33 (packers).	4.70 (packers). A[II] 4.32 (pressers). A[IV] 4.80 and 4.06. A[V] 4.95. A[VI] 5.72. B 5.22. C[I] 4.12. C[II] 3.90. D 3.60. E[I] 4.45 and 4.78. E[III] 4.56.		D See under wood cleaners. E[I] 25% and 50% respectively. E[II] See under wood cleaners. E[III] See under wood cleaners.	for weighing and transporting (loading on trucks).
Sewing boys		B 2.40. E[III] 1.60 (girls).	E[II] 2.06 (girls).	A[I] 3.92. A[III] 3.87. A[IV] 5.00. A[V] 3.60. A[VI] 4.74. C[II] 3.90. E[I] 3.99. E[III] 2.09 (girls).		B 25% and 50% respectively. D See under wood cleaners. E[I] 25% and 50% respectively. E[II] See under wood cleaners. E[III] See under wood cleaners.	C[II] See under pressers and packers.
Sulphur ovens	C[I] 3.84. C[II] 4.00.		A[I] 5.54 and 5.26. A[II] 4.91. A[IV] 4.43. A[V] 4.97.	D 4.95.		C[I] 25%–50%. D See under wood cleaners. E[II] See under wood cleaners. E[III] See under wood cleaners.	A[II] On duty every fourth Sunday. C[II] Sunday work.
Pyrite ovens	E[III] 3.80.		A[III] 4.05. B 4.42. E[I] 4.06. E[II] 4.11.	A[VI] 5.69.		B 25%–50%. D See under wood cleaners. E[I] 25%–50%. E[II] See under wood cleaners. E[III] See under wood cleaners.	E[II] For boiling and chemical division: 1 foreman with yearly salary of 1,500 kroner.
Mechanician		A[I] 5.00, 4.30, 3.75, 3.50. A[II] 4.00, 4.50. A[III] 3.50, 4.50. A[IV] 4.00 (generally). A[V] 5.00 and 3.00. A[VI] 5.00 and 4.50. B 4.10. C[I] 1.40 per month. C[II] 3.50–3.75. E[II] 3.30–4.30. E[III] 3.50–4.80.		A[IV] 5.07 first mechanician and overseer. D 3.75, 3.50, 2.00.	A[VI] Free lodging and firewood. C[I] Free lodging, light, and firewood. E[II] Some of the mechanicians have practically free lodging.	A[II] 50%. A[III] Night work during the week 25%. Night before Sunday 50%. Sunday work 100%. A[V] 50%. A[VI] 25%, 50%, 100%. B 25% and 50% respectively. C[I] No additional pay. C[II] As under oilers. D See under wood cleaners. E[II] See under wood cleaners. E[III] See under wood cleaners.	

EXHIBIT A.—*Wages I, fourth quarter 1907, sulphite factories*—Continued.

	Day's wages for laborers with—		Piecework, average earnings per day.		Free house or other conveniences (other than money).	Additional for overtime and holidays.	Special conditions.
	8-hour shift.	12-hour shift.	8-hour shift.	12-hour shift.			
Smith		A^{I} 4.00–3.25 A^{II} 4.20. A^{III} 4.25. A^{IV} 4.30. A^{V} 5.00 and 3.00. A^{VI} 5.00. B 4.00. C^{I} 3.80. C^{II} 3.75–4.00. E^{I} 4.00. E^{II} 4.30. E^{III} 3.50–4.40.		D 3.50	C^{I} Free lodging, light, and firewood.	A^{II} 50%. A^{III} As for mechanicians. A^{IV} 25%–50%. A^{V} 50%. A^{VI} 25%, 50%, 100%. B 25% and 50% respectively. C^{I} 25%–50%. C^{II} As under oilers. D See under wood cleaners. E^{I} 25% and 50% respectively. E^{II} See under wood cleaners. E^{III} See under wood cleaners.	
Solderers		A^{I} 4.00+3 øre (1) per ton.		A^{IV} 5.17	A^{II} Free lodging and firewood.	A^{III} As for mechanicians.	
		A^{II} 4.66. A^{III} 5.00. A^{IV} 4.00. A^{V} 4.85. A^{VI} 5.00. B 5.80. C^{I} 3.75. C^{II} 3.50 and 3.75. E^{I} 6.00. E^{II} 5.00. E^{III} 3.50–5.50.		D 6.30–5.00	A^{VI} Free lodging.	A^{IV} 25%–50%. A^{V} 50%. A^{VI} 25%, 50%, 100%. B Nothing—fixed wages. C^{I} 25%–50%. C^{II} As under oilers. D See under wood cleaners. E^{I} 25% and 50%, respectively. E^{II} See under wood cleaners. E^{III} See under wood cleaners.	
Turbine house	A^{I} 3.50.						
Carpenters		A^{I} 4.00–3.50 A^{II} 4.00. A^{III} 4.00. A^{IV} 4.00. A^{V} 5.00 and 3.00. A^{VI} 5.00–4.50. B 3.90. C^{I} 4.25. C^{II} 3.75.		D 3.25, 2.20		A^{II} 50%. A^{III} As for mechanicians. A^{IV} 25%–50%. A^{V} 50%. A^{VI} 25%, 50%, 100%. B 25% and 50%, respectively. C^{I} 25%–50%. C^{II} See under oilers. D See under wood cleaners.	

		E[II] 3.60–[*]				E[II] See under wood cleaners.	
		E[III] 3.85.				E[III] See under wood cleaners.	
General yard laborers.		A[I] 3.00		D 3.00–2.50		A[II] 50%	C[II] Various kinds of yard work are done by the job at such rate that the yearly earnings amount to about 1,000 kroner.
		A[II] 3.00.		E[I] 4.55.		A[III] Night work 25%. Sunday work 50%.	
		A[III] 3.00.				A[IV] 25%–50%.	E[I] Workmen in the drying rooms.
		A[IV] 3.00.					
		A[V] 3.00.				A[V] 50%.	
		A[VI] 3.00.				A[VI] 25%, 50%, 100%.	
		B 2.90.				B 25% and 50%, respectively.	
		C[I] 3.00.				C[I] 25%–50%.	
		C[II] 3.00.				C[II] See under oilers.	
General yard laborers.		E[II] 3.15				D See under wood cleaners.	
		E[III] 3.15.				E[I] 25% and 50%, respectively.	
						E[II] See under wood cleaners.	
						E[III] See under wood cleaners.	
Pulp trimmers		C[I] 6.06		E[I] 4.55		E[I] 25% and 50% respectively	
				E[II] 4.89 (6 hours work).		E[II] See under wood cleaners.	
				E[III] 3.25 (in bale houses).			
Stone elevator conductors.		A[IV] 3.00		A[VI] 4.22 (in acid tower).		A[IV] 25% to 50%	
		E[III] 3.50				E[II] See under wood cleaners.	
				B 4.30.		E[III] See under wood cleaners.	
Hod carriers		A[IV] 3.00		D 3.00		A[IV] 25% and 50%	
		A[VI] 3.50.				A[VI] 25%, 50%, 100%.	
		B 4.00.				B 25% and 50% respectively.	
		Masons 6.00.					
		E[II] 3.25.				E[II] See under wood cleaners.	
		E[III] 3.25.					
Wharf laborers		E[I] 3.75 and 3.25 (day laborers).		B 4.05		B 25% and 50% respectively	
		E[II] 3.75.				E[I] 25% and 50% respectively.	
		E[III] 3.15.				E[II] See under wood cleaners.	
		3.74 (coal depot on wharf).				E[III] See under wood cleaners.	
Warehousemen		A[IV] 5.00		B 4.05			
Water-wheel men				B 5.60.			
Laborers in the mountains.				B 4.10.			
Day laborers		E[I] 2.25.					

[*] See original.

[1] 1 krone=100 øre.

Christiania, March, 1908.
For the Norwegian Division of the Scandinavian Cellulose Company.

FRANTZ F. MELHAUS, *Secretary.*

EXHIBIT B.—*Rate per hour from records obtained from Norwegian mills in comparison with hourly rates now in force at an American mill.*

	Average per hour.		Per cent American to Scandinavian.
	Scandinavian.	American.	
Acid	13⅜	27	196
Digester	14¼	28⅜	200
Wood	10 9/16	23⅜	220
Boiler	11⅛	23½	196
Oilers	10⅛	33	324
Wet room	10½	26½	257
Drying machine (tenders and helpers)	8½	26½	296
Weighers and packers (wrappers and helpers)	9	22⅜	248
Ordinary	7 1/16	19⅛	277
Mechanics and carpenters	10 9/16	35⅜	332
Blacksmith and helper	10 9/16	29½	270
General averages	10 7/16	26.59	248

EXHIBIT C.—*Domestic production, bleached and unbleached, as shown by Lockwood's Directory.*

	Tons daily.	Tons per year.
Total production capacity of sulphite fiber in the United States	4,096	1,228,800
Consumed by manufacturers or associated companies	3,056	916,800
Balance available for open market to mills not manufacturing pulp	1,040	312,000

The 1,040 tons daily capacity available for the general market are divided as follows:

	Tons daily.	Tons per year.
Unbleached	840	252,000
Bleached	200	60,000

FOREIGN IMPORTATIONS.

Foreign sulphite was imported during the year 1907, according to report by Department of Commerce and Labor, as follows:

	Tons.
Unbleached (approximate)	110,000
Bleached (approximate)	43,000

PROPORTION OF ACTUAL DOMESTIC SALES COMPARED WITH CAPACITY.

An actual record of the sales of all domestic mills compared with their manufacturing capacity is not available, but we have actual records of 13 of the principal mills, with a daily capacity of 539 tons, or 64 per cent of the total 840 tons.

A comparison of their actual sales and capacity is as follows:

	Daily tons.	Yearly tons.
Capacity of 13 mills	539	161,700
1907 actual sales, 13 mills	364	109,310
Sales less than capacity	175	52,390
Per cent of sales below capacity	32	

Assuming that the experience of all domestic mills was no different from that of mills having 64 per cent capacity of the total, and whose records are shown above, an estimate of actual sales of all domestic mills, compared with capacity, is as follows:

	Tons daily.	Tons yearly.
Actual capacity	840	252,000
Less estimated loss 32 per cent	268.8	80,640
1907 estimated actual sales	571.2	171,360

This record indicates that foreign unbleached sulphite was imported to the extent of 110,000 tons during a period when the sales of domestic mills were short of their capacity to furnish 80,640 tons.

MARKET CONSUMPTION IN THE UNITED STATES OF FOREIGN AND DOMESTIC COMBINED.

From the above records a summary of bleached and unbleached sulphite consumed in the United States during the year 1907, by mills buying in the open market, is as follows:

	Total.	Domestic.	Per cent.	Foreign.	Per cent.
	Tons.	*Tons.*		*Tons.*	
Unbleached	281,360	171,360	61	110,000	39
Bleached	103,000	60,000	58	43,000	42
	384,360	231,360	60	153,000	40

It will be noted from the above that foreign manufacturers sold 39 per cent of all the unbleached sold in this country, and 42 per cent of all the bleached, and the percentage of foreign, as compared with the percentage of domestic pulp sold, is:

	Domestic.	Foreign.	Per cent foreign compared with domestic.
	Tons.	*Tons.*	
Unbleached	171,360	110,000	64
Bleached	60,000	43,000	72

COMPARATIVE VALUE OF FOREIGN AND DOMESTIC FIBERS.

As regards foreign bleached sulphite, it is admitted that a considerable portion of the importations are of a higher grade than has heretofore been made in this country, but that this proportion of high-grade bleached sulphite is not large, and that the large importations of unbleached fiber are not because foreign unbleached is of a greater value than the domestic unbleached will be shown by valuations of imports given in the Department of Commerce and Labor reports for the year 1907, to which we have added duty, estimated average freight to mill, and total cost delivered mill, with comparison of the average price obtained by a representative American mill, as shown by the following tabulation:

Grade.	Foreign.				Domestic.		
	Tons imported.	Total valuation.	Average value per ton c.i.f. port.	Duty.	Estimated average freight to mill.	Total cost delivered.	Average price delivered obtained by B. S. F. Co. year 1907.
Bleached	43,688	$2,111,574	$48.33	$5.00	$2.50	$55.83	$53.90
Unbleached	110,004	3,902,528	35.48	3.33	2.50	41.33	41.04

In the above tabulation the lower price of American bleached and unbleached fiber is largely accounted for by the fact that these are the average prices of all sales of fiber, including both No. 1 and No. 2 grades, and with sales of the best grades considered separately would show a price practically equal to the selling prices of the foreign product.

STATEMENT OF MORRIS GINTZLER, NEW YORK CITY, RELATIVE TO CHEMICAL PULP, BLEACHED AND UNBLEACHED.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. On what subject are you about to address us?

Mr. GINTZLER. On the subject of the duty on chemical pulp, bleached and unbleached.

The CHAIRMAN. On what?

Mr. GINTZLER. On the subject of wood pulp made by chemical process.

The CHAIRMAN. Proceed.

Mr. GINTZLER. I represent the importers of New York, who have been asked by the manufacturers of this country, who have no pulp mills of their own and who are dependent on the foreign supply, to place before you some particulars to induce you in the revision of this tariff to make no change in this schedule. There have been stated at considerable length the discrepancies in labor as between this country and abroad; but it appears that all the speakers have overlooked the fact that the American workman is the most efficient laborer of his kind the world over; and while it is true that American workmen will get more per day, it is also true that to turn out the same quantity of pulp it is not necessary to have as many men in this country as it is abroad. The present duty is $3.33 per ton on unbleached pulp and $5 per ton on bleached pulp. These duties, with the present discrimination against the foreign manufacturer to the extent of being subjected to charges from which the American manufacturer is entirely exempt, such as packing for export, the inland freight on the other side to bring the pulp to the seaboard, the ocean freight to bring the pulp to this country, and the import merchant's profits here, are all items entering into the cost, from which the American manufacturer is entirely exempt.

I presume it is not the intention of this committee to advance the tariff on this schedule. At the same time the trade has accommodated itself to the present rate of tariff, and at the present time it brings a certain amount of revenue to the Government, which the paper manufacturers are quite ready and willing and able to stand.

The committee must remember that every ton of pulp which is brought over from the other side means just so much of our own wood saved, and there is no need of going at any great length into the subject of the importance of the preservation of our forests.

One point I wish to bring out clearly is that for the past twelve years there has been no chemical pulp mill in this country that has failed, but each and every mill has been able to keep up and to make money.

The imports do not amount to more than 10 per cent of the total production of this product, and I maintain that the American manufacturer who is dependent on the general open market is entitled to seek his supply on such a basis. I will file with my brief here letters from different manufacturers—about 100 of the leading paper manufacturers of this country—asking you to make no change in the present tariff on chemical wood pulps. These mills employ many hands at remunerative wages, and it is a question of compelling these mills to reduce wages and possibly to shut down their plants and possibly to import the finished paper. We must bear in mind that chemical pulp is raw material and not a finished product, and as such should not be subjected to any further duty. I thank you.

The brief and letters submitted by Mr. Gintzler are as follows:

MORRIS GINTZLER, NEW YORK CITY, FILES BRIEF AND LETTERS IN FAVOR OF RETAINING PRESENT DUTIES ON PULP.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The present tariff on chemical pulps should not be altered for reasons given herein.

Chemical pulps, as distinguished from mechanical or ground wood pulp, which latter is not imported from Europe, constitute the principal raw material of a great many grades of paper manufactured in this country. An additional duty on such raw material adds to the burden of the manufacturing interests of this country.

Under normal conditions there are only about 18 pulp mills of the 78 mills in the United States which can supply sulphite pulp to the paper mills. The other pulp mills manufacture only for use in their own paper mills and not for sale.

Foreign pulps do not compete to a sufficient extent with the American pulps to have their importation prohibited by any high restrictive tariff.

In this brief, where the term "tons" is used, it will be understood to mean a ton of 2,000 pounds.

WAGES.

The cost of general labor in this country for producing one ton of unbleached sulphite pulp is about $4. To this must be added the cost of repair labor, $2 per ton, which brings the total cost, including repair labor, to $6 per ton.

This information is based on actual figures from a mill making 50 tons per day of unbleached sulphite pulp. It is considered that 75 tons is the correct unit for economical production, and the cost of labor per ton for a mill making 25 or 30 tons per day is larger than that for a mill making 75 tons daily.

The individual wages paid abroad are less than those paid in this country. At the same time, however, this difference is largely counterbalanced by the greater efficiency of the American workman. In Europe more time is devoted to the careful preparation of the wood, a longer time is used in its cooking, all adding to the cost of labor, resulting in a smaller product to the amount of labor as compared to the United States. The result is that the cost of labor per ton of pulp abroad is no less than that in this country.

The actual figures for the cost of labor per ton of pulp in Europe is from $5 to $9.75, according to quality of product and prevailing wages of the countries where mills are situated.

WOOD.

The average cost of unbarked pulp wood in this country is about $8.50 per cord of 128 cubic feet, and it requires about 2 cords of unbarked or about 1.7 cords of rossed wood for a ton of sulphite pulp, thus making the average cost of wood per ton of pulp $17. Several mills in this country manufacture pulp from slabs obtained from sawmills, which still further reduces the cost. A number of mills in this country still enjoy the benefit of their own woodlands acquired many years ago, and the price of this wood is quite a factor in forming a basis of price for the domestic pulp.

In Europe the cost of wood averages $9 per cord, making the average cost of pulp wood for a ton of pulp at the pulp mill $18.

The pulp here referred to is known as "quick-cooked unbleached sulphite pulp." The cost of pulp when manufactured by the slow-cooked or "Mitscherlich" process is largely increased owing to the necessarily longer time used in cooking, and other expenses incidental thereto.

SELLING CONDITIONS.

Before the foreign pulp becomes competitive with the domestic there must be added to it sundry costs and expenses from most of which the American pulp mill is exempt. These charges for the foreign pulp mill may be figured as follows:

	Per ton.
Cost of packing for export	$1.50
Inland freight from pulp mill to seaport	1.00
Ocean freight	3.00
The import merchant's profit	2.00
Total	7.50
To which if we add the present duty of	3.33
Makes a total of	10.83

which is the protection afforded to-day to the American pulp manufacturer. This should be sufficient for the American manufacturer of pulp and enable him to market independently of the foreign article.

The selling price of domestic quick-cooked pulp to-day averages $42, freight paid to the paper mill.

The average selling price for foreign pulp to-day ranges from $39 to $42 at the port of arrival, and to this must be added an average freight to the paper mill of $3 per ton, making a total of $42 to $45, freight paid to the paper mill. This is for prompt deliveries, and for future deliveries higher prices are asked.

The prices ruling to-day are not normal on account of the recent business depression and the larger stocks in the hands of foreign pulp speculators.

We quote from Farmand, the leading paper trade journal in Norway, from the issue of October 24, 1908, as follows:

The market for cellulose is so bad that it must soon bring about a curtailment of production, the more so as log prices are rather advancing than otherwise, at least in this country, and although a reduced output, of course, means an enhanced cost of production, it will not be very difficult for the managers to find out which is the smaller loss: To go down in quantity or to accept the prices which are nowadays put before them by their agents.

But nothing can better demonstrate the correctness of what we have frequently stated in these columns, that the growing demand for wood for so many various purposes has an irresistible tendency to raise the level of value of the raw wood.

The prices which ruled prior to October, 1907, averaged for the domestic pulp from $42 to $46, delivered at the paper mill, and for foreign pulp from $46 to $53.

Importers are to-day delivering old contracts at these figures.

Another reason for the depression of prices, in addition to the recent dullness prevailing in business, is that domestic pulp was advanced to such a figure as made it possible to bring over larger quantities of foreign pulp.

The advance in prices of domestic pulp was caused by the large demand prevailing at that time.

In October of last year orders for paper diminished considerably, so that the paper mills could only run part time, and, in fact, several of them had to shut down for shorter or longer periods; and it may be safely stated that the average consumption of pulp by the paper mills during the past year has not been more than 60 per cent of the normal consumption. The shutting down of the paper mills naturally reduced to a great extent the demand for domestic pulp, and large quantities of foreign pulp contracted during previous times, when higher prices were ruling, came into this country. In some cases these pulps could be disposed of by the importers only at a loss.

Prior to the financial depression before referred to the domestic pulp had always been sold at about 10 to 15 per cent cheaper delivered at the paper mill than the foreign pulp. In corroboration of this, we give herewith quotations of both foreign and domestic unbleached pulps, published by the two leading trade journals of the paper and pulp industries—that is, the Paper Trade Journal and The Paper Mill, both published in New York City. These quotations for some years past, taken at random, are as follows:

[From Paper Trade Journal.]

Domestic bleached:		Domestic bleached—Continued.	
May 17, 1900	2¼ –3.05	May 18, 1905	2¼ –2¾
May 18, 1901	2¼ –3.00	May 17, 1906	2¼ –2¾
May 22, 1902	2.35–2.50	May 23, 1907	2.60–3.05
May 21, 1903	2.40–2.50	May 21, 1908	2.60–3.05
May 19, 1904	2.40–2¾	November 15, 1900	2¼ –3.00

Domestic bleached—Continued.

November 21, 1901	2½ –3.00
November 20, 1902	2.75–3.00
November 19, 1903	2.40–2.50
November 17, 1904	2½ –3½
November 16, 1905	2½ –2½
November 22, 1906	2½ –2½
November 21, 1907	2.60–3.05

Domestic unbleached:

May 17, 1900	2½ –2¾
May 18, 1901	2.30–2.50
May 22, 1902	1¾ –2.00
May 21, 1903	1.85–2.00
May 19, 1904	1.85–2.10
May 18, 1905	1.80–2.10
May 17, 1906	1.85–2.00
May 23, 1907	2.15–2.25
May 21, 1908	2.05–2.20
November 15, 1900	2.10–2½
November 21, 1901	1.65–1.85
November 20, 1902	1.95–2.15
November 19, 1903	1.85–2.10
November 17, 1904	1.85–2.10
November 16, 1905	1.85–2.10
November 22, 1906	2.00–2.10
November 21, 1907	2.20–2.30

Foreign bleached:

May 17, 1900	3½ –3¾
May 18, 1901	3.15–3½
May 22, 1902	2.75–3.00
May 21, 1903	2.75–3.20
May 19, 1904	3.20–3.40

Foreign bleached—Continued.

May 18, 1905	3.14–3.35
May 17, 1906	3.10–3¼
May 23, 1907	3.20–3.25
May 21, 1908	3.05–3.25
November 15, 1900	3½ –3¾
November 21, 1901	3.00–3¼
November 20, 1902	2.75–3.00
November 19, 1903	2.75–3.20
November 17, 1904	3.35–3.45
November 16, 1905	3½ –3.35
November 22, 1906	3.15–3.30
November 21, 1907	3.20–3.55

Foreign unbleached:

May 17, 1900	2½ –2¾
May 18, 1901	2.30–2.50
May 22, 1902	1.95–2.15
May 21, 1903	1.95–2.15
May 19, 1904	2.15–2½
May 18, 1905	2.20–2½
May 17, 1906	2½ –2.40
May 23, 1907	2.25–2.45
May 21, 1908	2.10–2.25
November 15, 1900	2.30–2.50
November 21, 1901	2.30–2.50
November 20, 1902	1.95–2.15
November 19, 1903	1.95–2.15
November 17, 1904	2.20–2.30
November 16, 1905	2½ –2.40
November 22, 1906	2½ –2.40
November 21, 1907	2.25–2.55

[From Paper Mill.]

Domestic bleached:

May 19, 1900	3½ –3.50
May 18, 1901	2½ –2¾
May 17, 1902	2½ –2¾
May 23, 1903	2½ –2.50
May 21, 1904	2¾ –3.00
May 20, 1905	2.50–3½
May 18, 1907	2½ –3½
May 16, 1908	2½ –2¾
November 17, 1900	2¾ –3.00
November 16, 1902	2.50–2.75
November 21, 1903	2.55–2.75
November 19, 1904	2.50–3½
November 18, 1905	2½ –2¾
November 17, 1906	2½ –3.00
November 16, 1907	2¾ –3.00

Domestic unbleached:

May 19, 1900	2½ –2.40
May 18, 1901	1.95–2.40
May 17, 1902	1.85–1.90
May 23, 1903	2.00–2.40
May 21, 1904	1.85–2½
May 20, 1905	1.85–2.10
May 19, 1906	1.85–2.00
May 18, 1907	2.30–2.50
May 16, 1908	2.10–2.20
November 17, 1900	2.10–2.50
November 16, 1902	1.95–2.40
November 21, 1903	1.85–2.00
November 19, 1904	1.85–2.10
November 18, 1905	1.75–2.10
November 17, 1906	2.00–2.10
November 16, 1907	2.20–2.50

Foreign bleached:

May 19, 1900	3½ –3.75
May 18, 1901	3.60–4½
May 17, 1902	2.75–3.00
May 23, 1903	2.75–3½
May 21, 1904	3½ –3¾
May 20, 1905	3½ –3½
May 19, 1906	3½ –3.40
May 18, 1907	3½ –3.50
May 16, 1908	3.15–3.45
November 17, 1900	3½ –3¾
November 16, 1902	3.60–4.25
November 21, 1903	2.85–3.00
November 19, 1904	3½ –3¾
November 18, 1905	3½ –3.50
November 17, 1906	3½ –3.30
November 16, 1907	3½ –3.50

Foreign unbleached:

May 19, 1900	2½ –2.50
May 18, 1901	2½ –3.00
May 17, 1902	1.95–2.15
May 23, 1903	1.95–2½
May 21, 1904	2.00–2.30
May 20, 1905	2½ –2.40
May 19, 1906	2½ –2.40
November 17, 1900	2.30–2.50
November 16, 1902	2.25–2.50
November 21, 1903	1.85–2½
November 19, 1904	2.15–2½
November 18, 1905	2.25–2.65
November 17, 1906	1.90–2.40
November 16, 1907	2½ –3.00

BLEACHED SULPHITE.

The present tariff provides for a duty of $5 per ton on this article.

The items of cost entering into the manufacture are, as already shown in the unbleached pulp, practically the same also on this grade.

The cost abroad of bleaching unbleached sulphite pulp is no less than in this country, chemicals being about the same. The advantage or protection to the American manufacturer on this article is even greater under existing conditions than for the unbleached pulp.

The disadvantages with which the foreign manufacturer has to contend in marketing his goods in this country are caused by the following additional expenses from which the American pulp manufacturer is exempt:

Cost of packing, per ton	$1.50
Inland freight from pulp mill to seaport	1.00
Ocean freight	8.00
Import merchant's profit, per ton	2.00
Present duty, per ton	5.00
Total	12.00

so that the American manufacturer could sell at prices at least $12.50 per ton lower than the foreign manufacturer and make just as much profit.

SELLING CONDITIONS.

To-day the ruling price of foreign bleached sulphite pulp, as verified by the Paper Trade Journal quotations, in issue of November 12, 1908, is from $60 to $65 per ton at the port of arrival, equivalent to $63 to $68 per ton at the paper mill.

For the domestic pulp the price is, delivered at the paper mill, from $51 to $52 per ton.

There is, therefore, to-day an advantage of about $12 to $16 per ton in favor of the American manufacturer.

The higher duty would not benefit the manufacturer, inasmuch as these pulps do not compete, on account of quality, as can be seen by the difference in prices ruling to-day. If the pulps were competitive, the American manufacturer could, without difficulty, secure prices more closely approaching those ruling for the foreign article.

The policy of the American pulp manufacturer is to make large productions, and anything which restricts the production is not looked upon with favor by the American manufacturer.

The European manufacturer will exercise a great deal of patience and industry in getting an article as nearly perfect as possible, regardless of the quantity produced. This, in a measure, will explain the difference in quality between the pulps manufactured here and abroad.

ADDITIONAL ADVANTAGES ENJOYED BY THE DOMESTIC MANUFACTURER.

Where coal is used for the development of steam power, the American mills have a decided advantage over those abroad, as the cost of coal abroad is very much higher than in the United States.

In addition to this, lime and sulphur are used in large quantities, and both of these are produced in this country to a sufficient extent to meet the demand. Formerly sulphur was largely imported for pulp manufacturing purposes, but since the discovery and development of sulphur mines in Louisiana very little, if any, sulphur is imported for pulp manufacturing purposes.

We produce in this country bleached chemical pulp made from poplar wood, and in spite of the alleged discrepancies of labor here and abroad, quantities of this article are exported.

Under the present tariff a large industry of sulphite pulp mills has been developed. During the last twelve years not a single pulp mill has gone into bankruptcy, and many of them have enlarged their plants considerably.

It must be remembered that a good many pulp mills have been built which have used up all their available wood supply, and they have to go farther and at larger expense for their wood, which increases its cost to quite an extent.

This condition also applies to the foreign pulp mills, and in recent years the cost of wood abroad has advanced considerably.

While, according to official statistics, the wood cut by pulp mills in the United States is estimated at only 2½ per cent of the total wood cut, it is largely increased as to the total spruce wood cut.

FOREST PRESERVATION.

It is essential that our forests be conserved as much as possible. Our agricultural interests are threatened by the devastation of the forests. The consumption of foreign pulp in this country means just so much timber land saved here, and it is a matter beyond question that the welfare of all the people of the United States is entitled to protection by the preservation of their forests rather than add to the profits of a few manufacturers at the expense of the entire country.

A higher tariff would affect hundreds of paper mills that have been buying their supplies abroad, and might result in the reduction or cessation of importations of pulp and in an increase of importation of the finished paper. Such a condition would mean the shutting down of many paper mills that are now giving profitable employment to thousands of men at wages better than those enjoyed in many other lines of industry.

In the interests of the many American paper mills which do not manufacture their own sulphite pulp we ask that the present duty should not be changed.

We submit with this brief a large number of letters from leading paper manufacturers of the country protesting against any action on your part which will increase the cost of their raw material or place any excessive burden on them which would interfere with the successful operation of their plants.

Respectfully submitted.

Atterbury Bros. Co., Ira L. Beebe & Co., Frederick Bertuch & Co., Castle, Gottheil & Overton, Jean Freese, Perkins Goodwin Co., M. Gottesman & Son, Rudolf Helwig, Felix Salomon & Co., E. M. Sergeant Co., Scand.-Am. Trading Co.

RUDOLF HELWIG,
LEON GOTTHEIL,
ROBT. B. ATTERBURY,
MORRIS GINTZLER (F. BERTUCH & Co.),
New York City,
Committee.

MENASHA, WIS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: Your letter of November 14 received, and we hasten to reply in obedience to your request.

We believe fully in the spirit of protection to all home industries, giving them the benefit of every doubt in fixing tariff schedules.

We believe that the Republican platform of 1908 should be strictly adhered to in the revision of the tariff.

We are not, however, in favor of such tariff revision as would enable manufacturers of pulp or anything else to demand such prices for their products as would be unfair to buyers and consumers.

Not long ago nearly or quite all manufacturers of sulphite pulp in this country and Canada entered into a combination for the purpose of advancing the price to a basis of hemlock sulphite at 2½ cents a pound, and in addition eliminating the former discount for cash. At the same time prices were agreed upon for papers which were made of sulphite much lower proportionally than were demanded for sulphite.

Under the conditions mentioned we found it impossible for us to buy sulphite at the pool's prices and put it into paper at the pool's prices without actual loss to our mill. Not being manufacturers of sulphite we were obliged to seek other markets in which to buy to enable our remaining in business with any degree of success. We found that we could buy from eastern importers at prices that would enable us to operate at nominal profit, and we also found that we could buy pulps of great superiority of quality.

In fact, certain of the foreign pulps are not duplicated by domestic manufacturers, and the paper made from it commands a much higher price in our markets than any made in the United States or Canada.

It is our opinion that the present duty on pulp of all kinds is high enough to protect domestic manufacturers on the basis contemplated by the Republican platform of this year.

We further believe that the protection provided in the existing schedules is sufficient to encourage the building of plants to manufacture such better grades of pulp as are needed in this market, but not now manufactured here.

We believe that the available supply of pulp wood is now, and will be, ample for all pulp and paper demands for all time, and we do not advocate protection nor tariff revision because of the possible or probable denuding of our forests. We believe, however, that such restraint as will conduce to a spirit of fairness and consistency in our industrial and commercial life should be imposed upon us all.

We do not believe that the tariff upon any kind of pulp should be so increased as to encourage the manufacturers of the United States and Canada to cooperate in the fixing of prices above the reasonable limit.

Yours, truly,

JOHN STRANGE PAPER COMPANY.
JOHN STRANGE, *Secretary.*

HOLYOKE, MASS., *November 19, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: We have your letter of the 14th instant, and wish to state that we are in hearty accord with you in your efforts to prevent the increase of the duty on foreign wood pulp. We believe it would be a great burden on the paper manufacturers and on the paper consumers to have an additional duty imposed.

We are now paying a higher price for the imported pulp which we buy for our two paper mills than we would have to pay for similar domestic pulp, but the imported pulp has characteristics which we are unable to obtain in any domestic pulp which we have used heretofore or have been able to obtain after extensive research.

In our case an increase in duty would mean a corresponding increase in the market price of our products, which, of course, the consumer would be obliged to pay, and we fail to see, under these conditions, the necessity for increasing the burden upon the consumer.

We believe that the very rapid destruction of our forest areas, which is so largely helped along by the manufacture of wood pulp, should be discouraged rather than encouraged. A higher duty on wood pulp would surely stimulate the investment of capital in the wood-pulp manufacturing business in this country, meaning an increase in the destruction of our forest reserves, which would react upon the public in general in many ways. It would certainly help to increase the cost of lumber for building material by making lumbering operations recede farther and farther from the lumber markets.

The conditions in the Connecticut Valley at the present time are a strong argument against the imposition of a still higher duty on wood pulp. The destruction of the forests on the watersheds of the Connecticut River is one of the direct causes of the very severe drought which has prevailed in the Connecticut Valley for some weeks. The waters of the Connecticut River were never so low at this period of the year, and it is hard to estimate the immense loss it is to the residents of this beautiful valley, occasioned by the shutting down of our manufacturing establishments on account of low water. The Connecticut River is not the only example, as most of the rivers along the northern Atlantic coast are suffering from the same cause. It is a very grave condition which confronts the people of the Connecticut Valley at the present time, and if this condition can be traced to the destruction of our forests such destruction surely should not be encouraged by the imposition of higher duty on wood pulp, or any other tariff legislation which would encourage or aid any lines of manufacture to renewed efforts toward forest destruction. We believe this is a question which is of vital interest to not only the paper manufacturers in the East and wood-pulp importers, but to the general public.

Yours, very truly,

JAPANESE TISSUE MILLS,
WM. H. BOND, *Secretary.*

FITCHBURG, MASS., *November 17, 1908.*

The COMMITTEE OF WOOD-PULP IMPORTERS,
New York.

GENTLEMEN: We trust you will use your utmost endeavors to prevent any increase in the duties on chemical-process pulps.

The amount of high-grade sulphite fiber manufactured in this country, and suitable for good quality papers, is so small that any advance in the duty would not only work a hardship upon such paper manufacturers, but must of necessity result in a very substantial raise in the price of paper from the grade of low-priced book to fine writings, and we believe that any increase in the duty, while not protecting any industry in this country, as almost no mills make sulphites of equal grade to the imported, would be offset by the increased price the Government—one of the largest users of such papers—would be obliged to pay.

No greater harm can befall the paper mills of this country than the increase of duty on the high-grade sulphites imported from foreign countries, and we trust you will appreciate its serious consequences.

Yours, very truly,

FITCHBURG PAPER COMPANY,
G. R. WALLACE.

BOGOTA, N. J., *November 18, 1908.*

The COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: As consumers of sulphite pulp we are vitally interested in the question of a tariff on this material. We protest against not only an advance in the present pulp schedule, but most decidedly against any tariff on wood pulp, either mechanical or chemical pulp.

The manufacturers of paper who do not own domestic timber lands and pulp mills are suffering to-day, and most of them have their mills on part time or down completely through inability to obtain from domestic manufacturers mechanical wood pulp at any price or chemical pulp at any reasonable price.

It is evident to any sane man familiar with the paper business in this country that a duty on wood pulp does not protect labor and does not tend to preserve our forests, and the only conceivable excuse for a tariff duty is to foster a monopoly of owners of extensive woodland tracts operating pulp mills, who by unlawful combination have put the price to such a point and reduced production in such a way that the manufacturers of paper who are not in their ring, and who employ most of the labor engaged in the industry, are working to serious disadvantage, and instead of protecting the manufacturer as a whole and protecting the labor engaged in the industry, the Government, through its tariff duties, are effectively backing conspirators whose aims and objects are against the interest of the larger number engaged in the trade.

You are no doubt well aware that it is not only the user of print paper who has a valid objection to the duty on wood pulp, but it is decidedly the majority in number, and in the aggregate the majority in capital invested in the paper business, who suffer most from these duties on raw material.

It is high time, in my opinion, that the Government let raw material come into this country free.

Yours, very truly,

C. W. BELL, *Receiver*,
TRADERS' PAPER BOARD CO.

BOSTON, *November 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIRS: The Geo. W. Wheelwright Paper Company are manufacturers of paper with mills producing about 50 tons of paper per day of book grades. These mills are situated in Massachusetts within about 50 miles of Boston. Our location precludes the manufacture of wood pulp, as all forests are distant, and fuel is high.

We are using a considerable quantity of chemical wood fibers, both domestic and imported. The soda fiber we use the most of is all of domestic make, but the stronger fiber made by the sulphite process we use more largely of the imported, for the reason that it is of superior quality to the general product of the domestic pulp mills, and is sold at a higher price, and to a great extent is not competitive, as the domestic pulp is an inferior quality and can not be substituted for the imported, which commands a price which certainly averages a quarter of a cent a pound higher. An increase in the duties would be a hardship on us, for the reason that we must continue to buy the foreign product, as the home producers have never supplied pulp of the quality we desire, and we are certain we should be unable to advance our prices to offset increased costs.

There are comparatively few pulp mills whose product is sold to mills using but not producing pulp, and the market for domestic pulp is largely controlled by mills producing and using pulp in the manufacture of paper and selling their surplus. It is doubly the interest of such manufacturers to favor the exclusion of imported pulps by higher duties, as it benefits them both in the sale of pulp and of paper.

For the foregoing reasons we protest against any advance in the duties on pulp.

The present quotations for foreign pulp for immediate shipment are abnormally low, due to the unfavorable business conditions which have prevailed and should not be considered in any adjustment of duties for the reasons of market conditions, as explained by one of our English correspondents, who is well posted. We quote below their letter of October 31:

"With reference to sulphite supplies, would you consider the question of picking up what may be considered a bargain for delivery this year? The point is this: Owing to dullness of trade, many papermakers in this country are not able to take out their contracted supplies, consequently some paper mills in Scandinavia have stocks inconveniently large. This condition of affairs will, we think, be only temporary, because the price has now sunk below cost of production. A movement is on foot in Scandinavia to reduce production by 30 per cent for three or six months. All Norwegian mills have agreed to this and more than half the Swedish mills. They are, however, waiting for more complete unanimity before putting this plan into operation. In the meantime several mills will shut down for a month or more on their own account without waiting until the pulp associations have come to a decision. It is to be expected, therefore, that during next year the supply will adjust itself to the demand, but in the meantime, for financial reasons, there are stocks which will be going cheap. If you could take 2/300 tons for this year we could probably make you a special offer.

"We have dispatched to you a sample of our 'G' pulp, and we have to-day sent you a further sample of our 'T' pulp. You have already a sample of the HX. These three brands all run much the same and are popular in this country as being easy bleaching, suitable for printings. From one or other of these mills we could possibly supply you with cheap lots for this year. We can not quote at present until we know that you will be open, but on hearing from you we would lay an offer before you."

Respectfully, yours,

GEORGE W. WHEELWRIGHT PAPER CO.

MIDDLETOWN, OHIO, *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: We notice that there is considerable agitation up in reference to the revision of the tariff on pulp, and that you are filing a protest against any advance. We wish to join you in this, and state that we consider it a great injustice to the consumers of pulps to increase the tariff on foreign, that the domestic manufacturers might increase the price of their present product, which we consider too high now.

They attempted to raise the price away beyond reason a year or so ago, and had it not been for the foreign importation we would have been forced to pay at least $3 or $4 a ton more for domestic.

If anything is done, we consider that the schedule should be reduced, rather than advanced.

We hope that you may be able to place the matter before the proper authorities at Washington in such a light that they will see what an injustice would be done the consumers if any advance is made.

Yours, truly,

THE PAUL A. SORG PAPER COMPANY,
M. T. HARTLEY, *Treasurer.*

MARCELLUS FALLS, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: Replying to your favor of the 14th, would say that we, as paper manufacturers, consider it would be a great mistake to increase the tariff on such grades of chemical pulp as are being imported into this country, including the high grades of sulphite and sulphate pulp, such as is used in all superior grades of wrapping specialties, for the very reason there is very little, if any, made in this country that comes up to the requirements of this class of paper.

The manufacturers of sulphite and other grades of chemical pulp in this country are satisfied to make a grade of stock that will answer for news paper and the lower grades of wrapping paper, but do not make a quality that will answer for the better grades of paper.

Consequently the paper mills confining themselves to the better grade of wood papers, as a rule are buying imported stock, simply because the home product that is on the market will not fill the bill.

Increasing the tariff will not increase the consumption of the home product of chemical pulp, but it will increase the importation of the foreign high-grade paper, to the detriment of the mills now making these high grades at home in our own country.

For these reasons we are opposed to an increase of the tariff on imported stock, especially as our own supply of wood is now so limited.

Yours, truly,

MARCELLUS PAPER COMPANY,
Per F. J. FORD.

TONAWANDA, N. Y., *November 18, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: With reference to the hearing before the Committee on Ways and Means in the House of Representatives on November 21, we would desire to protest against any increase on the present importation duty on pulp.

We are convinced that an increase on this duty would work to the detriment of American manufacturers using pulp or sulphite, not only because the higher cost of production and relatively higher cost of labor in the country is in itself a handicap against the American manufacturer, but because the rapid depletion of our own forests, particularly of spruce, which is the best wood for the manufacture of pulp board, makes it vitally important that we be able to obtain pulp from the Canadian market.

This not only protects our own forests, but is also a protection against the flooding of our market with pulp board from Sweden and Norway.

Very truly, yours,

TONAWANDA BOARD AND PAPER COMPANY.

BOSTON, *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: Learning that there is an agitation to increase the tariff on wood pulp, we desire, as manufacturers using this kind of stock, to protest against such proposed increase.

We are convinced that to raise the duty would benefit only a few individuals, and would be detrimental to the whole paper-making industry. More than this, it would have a very prejudicial effect upon the forests of the United States, which need the most enlightened legislation and care to save them from practical extinction.

Hoping that your committee will most seriously urge that the present schedule be diminished rather than increased, we are,

Yours, very truly,

MUNROE FELT AND PAPER COMPANY,
JAMES P. MUNROE, *Treasurer.*

CLEVELAND, OHIO, *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: As we buy considerable tonnage of foreign sulphite, we are greatly interested in the proposed revision of the tariff. It seems to us that it would be a grave mistake to advance the present duty and thereby discourage importation of wood pulp at a time when this country needs all its domestic timber, which is being rapidly exhausted. The present duty affords a reasonable protection to domestic producers, and yet permits considerable importations to supply the paper and board mills of this country. We wish to join you in expressing our protest against any advance in the pulp schedule.

Yours, respectfully,

THE OHIO BOXBOARD COMPANY,
THOS. W. ROSS, *Treasurer.*

VICKSBURG, MICH., *November 17, 1908.*

COMMITTEE OF WOOD PULP MAKERS,
New York, N. Y.

DEAR SIRS: Your letter of November 14 received and noted. Of course it goes without saying that the paper mills do not wish any advance or any change of any kind in the duty on wood pulp. The mills are, as a rule, perfectly satisfied with the present tariff on both pulp and papers, with the exception that the present tariff on importation of papers is very indefinite and allows many times high-priced papers to be imported under a low tariff.

At the meeting in Chicago last week the fine writing mills appointed a committee to represent them at the hearing in Washington, and it would seem as though a conjunction of your committee with that would be a good idea and work out to the good of all concerned.

Mr. C. A. Crocker is the chairman of this committee in question.

Yours, truly,

LEE PAPER COMPANY,
O. H. BRIGGS, *Manager.*

HIGHLAND PARK, CONN., *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: Your circular of the 14th came duly to hand. We are but small consumers of sulphite pulp, and therefore it would not make as much difference to us if the tariff was increased or decreased as though we were larger users. We may, perhaps, be able to give nearer to a disinterested opinion in the matter than as though we were larger consumers. We think, however, it would be very unwise to increase the duty on pulp, in view of the rapid disappearance of the forests in this country, also the agitation which has sprung up among the newspaper men for a lower price on their paper. While we do not have any great sympathy with them in their contention, from some of the editorials we have read, and they do not seem to know what they are talking about, only that they want a lower price on

paper, still we think it would be unwise to do anything that would necessitate an increase of price in news. We should recommend, if there is to be any change at all, that it should be decreased rather than increased, in view of the facts stated above.

Very truly, yours,

CASE BROS. (INCORPORATED),
Per R. N. STANLEY, *Secretary.*

MANAYUNK, PHILADELPHIA, *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: Replying to your favor of the 14th instant, we don't think it advisable to change the tariff on pulp and paper, and certainly not to increase it, as we are very large users of imported pulp, both bleached and unbleached. Our reason for using this pulp is that we were forced to buy it on account of the domestic sulphite manufacturers getting together and putting a prohibitive price on the domestic pulp.

If there is any change to be made in the tariff, we think there should be a reduction made on the bleached pulp, as it is too high, or, better still, if the Government desires to protect our own forests we don't see why there should be any duty at all on the imported pulps, as it certainly would encourage the use of them and protect our own forests and not affect the domestic sulphite manufacturers, as they have at present virtually no competition outside of the imported pulps.

Yours, truly,

McDOWELL PAPER MILLS,
C. McDOWELL.

HOLYOKE, MASS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: We have your favor of the 14th instant with reference to the present duty on pulps and would state that we are in favor of a reduction in present duties, and in view of the rapidly decreasing amount of pulp wood in this country we trust that the congressional committee will report in favor of such a reduction.

Very truly, yours,

C. E. POPE PAPER COMPANY,
C. W. WHITING, *Treasurer.*

MILTON, N. H., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: Regarding the tariff on mechanical and chemical wood pulp, this company is very much opposed to any increase of the duty; it would work an unnecessary hardship on consumers. We are paying now $42 for unbleached sulphite, the highest price I can remember. The duty on mechanical pulp should be taken off entirely.

The price of this commodity is not regulated by duty, but entirely by the water supply and the ability of the grinders to operate. A drought creates high prices; plenty of water power, low prices. It is a low-priced product normally, and the high freight rates from Canada and elsewhere make a sufficiently high natural duty to always give domestic pulp an advantage of from $2 to $4 per ton.

Yours, truly,

W. S. LOWE, *Treasurer.*

RICHMOND, VA., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: In answer to your letter of the 14th instant, beg to say we feel that the present duty on wood pulp is sufficient to protect the industry of this country, and at the same time the prices obtained for the domestic product are profitable to the manufacturers.

We are not large consumers of foreign sulphite, but we use this product in the manufacture of our paper to some extent, and if the duty on same is advanced, we will consequently have to pay a higher price, which will affect materially the profit on our paper in which this sulphite is used. We are therefore opposed to any advance in the duty on wood pulp.

Yours, very truly,

THE ALBERMARLE PAPER MANUFACTURING COMPANY.
H. W. ELLERSON, *President.*

MIDDLETOWN, OHIO, *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: We are in receipt of your favor of the 14th, requesting us to give you a letter in regard to increasing duties on wood pulp.

In reply would say that this article does not interest us very much, as our usage is very small. However, we think it would be a great mistake for Congress to increase the duty on wood pulp, especially at this time, when there is so much agitation going on in Congress and elsewhere in regard to protecting our forests.

To increase the duty on wood pulp would certainly have a tendency to create more demand for wood in this country, and there is no doubt but what we are all interested in preserving our forests as much as possible; hence the more pulp that comes into this country the more protection we give our forests.

We think, however, that you are unduly alarmed, as we do not think there is any Congressman or Senator that would be so unwise as to raise the duty on wood pulp at the present time, especially after the recent recommendations of President Roosevelt in regard to putting newspaper and pulp on the free list.

Very respectfully, yours,

THE WARDLOW-THOMAS PAPER COMPANY.

BARDEEN PAPER COMPANY,
Otsego, Mich., November 16, 1908.

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

DEAR SIRS: We have yours of the 14th. As we are manufacturers of paper and not of wood pulp we naturally want to buy our pulp as cheaply as we can, and are not in favor of increased duties.

While we believe in protection to home industries, we also believe in competition.

Yours, truly,

G. E. BARDEEN, *President.*
K. BARDEEN.

SEYMOUR, CONN., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: Replying to yours of 14th, we are not large users of wood pulp, but any increase of duty on pulp will affect us in proportion to larger users. We are opposed to any increase of tariff on wood pulp.

Yours, truly,

S. Y. BEACH PAPER CO.

NOVEMBER 16, 1908.

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: We have your circular letter 14th, and will say that it is our earnest desire that the duties on wood pulp remain at the present figures. It strikes us they are quite equitable, and we sincerely trust your committee can so convince the proper authorities at Washington.

Yours, truly,

THE BECKETT PAPER CO.,
F. BECKETT, *Treasurer.*

MORRIS, ILL., *November 16, 1908.*

COMMITTE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York, N. Y.

GENTLEMEN: Answering your favor of the 14th instant, we beg to advise that it is not our wish or desire that there should be any increase or advance on the duty in the pulp schedule.

Any change in the present tariff on wood pulp in the line of an increase would simply add an additional burden to the consumer and the manufacturer, and we trust that no such action will be taken when the tariff is revised.

Yours, very truly,

PRAIRIE BOX BOARD CO.,
B. F. MCKEAGE, Jr., *Secretary-Treasurer.*

FORESTPORT, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

DEAR SIRS: In reply to yours we will say we have carefully considered the matter, and have decided that, in our opinion, it is for the best interest of the general public that the duty on wood pulp and paper be left where it now is.

Respectfully, yours,

A. R. PENNINGTON & Co.

PARSONS PAPER COMPANY,
Holyoke, Mass., November 16, 1908.

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: In reply to your letter of the 14th instant, in regard to the duty on wood pulp, would say that we are decidedly opposed to any advance in duties upon this material. We do not see that there is any need for such an advance, and, as stated, we think it would be much better that none should be made.

Yours, truly,

EDWARD P. BAGG, *Treasurer.*

PHOENIX, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: We are not in favor of a revision of the tariff on wood pulp. As the matter now stands we believe the present duty affords sufficient protection to American manufacturers, allowing them to compete with foreign pulps. To increase the tariff would increase the cost of paper.

A reduction would unsettle values, demoralize business, and be detrimental to the pulp and paper industries of this country.

Yours, respectfully,

OSWEGO RIVER PAPER MILLS.

GREEN BAY, WIS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
Room 721, 5 Beekman Street, New York City.

GENTLEMEN: Acknowledging the receipt of your communication of 14th, to be perfectly frank with you, we believe it to be to the best interest of the industry, if not ourselves individually, to stand pat on the tariff question so far as it relates to wood pulp.

Yours, very truly,

NORTHERN PAPER MILLS,
IVER J. TERP, *Secretary.*

NEW HAVEN, CONN., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York.

GENTLEMEN: Yours of the 14th received, and beg to advise that we can not conceive of any sane argument in favor of an advance in the pulp schedule. While it is against our interest as consumers of pulp, in a broad sense we believe it would be antagonistic to business welfare.

Very truly, yours,

THE NEW HAVEN PULP AND BOARD CO.,
WM. R. SHAFFER, *Secretary.*

BOSTON, *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York.

GENTLEMEN: In reply to yours of 14th instant, I believe that any change of the duty on wood pulp, especially an advance, would be an injury to the paper trade of this country and should not be undertaken. The reasons are too obvious to need repetition to anyone conversant with trade conditions.

Very truly, yours,

NATIONAL FIBRE BOARD CO.,
By STEPHEN MOORE, *Treasurer.*

LEE, MASS., *November 16, 1908.*

COMMITTEE ON WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: Replying to your favor of the 14th, in which you ask us to express an opinion as to whether we are in favor of an increase in the tariff duty on imported pulp, we beg to state that we are not in favor of such an increase, as we believe it would work an injury to the paper manufacturer, as well as the consumer of paper, for certainly if you increase the duty on pulp it will mean an increase cost to the manufacturer, which he will have to add to the cost going to the trade, or, in other words, he would have to get more money for his paper if the pulp costs very much more. While we are not very large users of pulp, we can see where it would work to a great disadvantage in some grades of papers.

Yours, truly,

MOUNTAIN MILL PAPER CO.,
EDWARD P. STEVENSON, *Treasurer.*

MONROE, MICH., *November 16, 1908.*

The COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: We are in receipt of your letter of the 14th. While we do not at present use any sulphite in the manufacturing of our product, yet we are interested in all lines of the industry, and we believe it would be a mistake to do any tinkering with the tariff on

wood pulp or sulphite, as it simply tends to demoralize business until the thing is settled.

We certainly hope you will make your influence felt on Congress, as we think the tariff is all right as it is and should not be changed.

Yours, very truly,

MONROE BINDER BOARD CO.,
L. W. NEWCOMER, *President.*

EAST DOWNINGTOWN, PA., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman street, New York, N. Y.

GENTLEMEN: We wish to enter our protest against any increase of duty on wood pulp.

Yours, truly,

FRANK P. MILLER PAPER CO.
FRANK PARKE.

MEGARGEE PAPER MILLS,
Philadelphia, November 16, 1908.

COMMITTEE OF WOOD PULP IMPORTERS,
Room 721, 5 Beekman street, New York, N. Y.

GENTLEMEN: Replying to your favor of the 14th instant on the duty on wood pulp. We are very much surprised to hear that there is any agitation for an increase of the duty on pulp; we supposed the entire agitation was the other way. So far as we have looked into the matter we think the present duty, if worded more specifically, is about right, as it covers, to the best of our knowledge, the difference in cost of labor between this country and foreign labor.

Yours, very truly,

GEO. M. MEGARGEE, *Secretary.*

CHILLICOTHE, OHIO, *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York, N. Y.

GENTLEMEN: Replying to your letter of the 14th, it is our firm belief that the interests of the paper trade as a whole, as well as our own interests, will be best served by leaving the duty as it now stands on pulp.

Yours, very truly,

THE MEAD PULP AND PAPER COMPANY,
By GEO. H. MEAD, *General Manager.*

MARION, IND., *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: We have your circular letter of the 14th instant in regard to the agitation which is now on regarding the advance in tariff on wood pulps into this country. We certainly would not be

in favor of any advance in tariff on wood pulps, nor would we like to ask for any decrease, as we know the situation of the pulp mills. We believe that we would be better off without any change whatever, as with the present duty on wood pulp the pulp mills can make a nice profit on their pulp, and we certainly do not want the duty on pulp reduced so as to compel our pulp mills here to close their plants, nor do we want the duty on pulp so it will prohibit the importation of the same.

We are using considerable foreign pulp as well as American, and we believe that the present duties on pulps are adequate at the present time.

Yours, very truly,

THE MARION PAPER CO.
H. A. GABLE, *Treasurer.*

LAWRENCE, KANS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: We are in receipt of your circular letter of the 14th regarding the agitation which has recently swept over the country, and regarding the revision of the tariff. We trust that there may be no movement toward an increased duty on pulp. Certainly it would be a disadvantage to us and to all consumers in this part of the country to have the tariff increased on pulp.

Respectfully,

LAWRENCE PAPER MFG. CO.,
PAUL A. DINSMOOR,
Assistant Manager.

YORK PA., *November 16, 1908.*

WOOD PULP IMPORTERS' ASSOCIATION,
New York City.

GENTLEMEN: We do not use any wood pulp and we really do wish to do all in our power to oppose any advance on raw material to protect the interests justly of the paper manufacturers. Anything further we can do in this matter will be cheerfully done.

Respectfully, yours,

LAFEAN PAPER COMPANY.

WATERTOWN, N. Y.,
November 16, 1908.

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: In response to your circular dated November 14, we have no hesitation in saying that we are not in favor of advancing the duties on wood pulps, and, more than that, we should be in favor of taking all duty off ground wood provided an agreement could be made with the Canadian government that no export duty be put upon their pulp wood. We are, however, in favor of keeping the present duties on sulphite pulps.

Yours, truly,

KNOWLTON BROTHERS.

KALAMAZOO, MICH., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: Replying to your favor of the 14th, we can hardly believe that Congress will think of increasing the duty on pulp, as popular sentiment seems to lean very strongly toward a reduction of the duty. There is no question but that it would be a tremendous disadvantage to the manufacturers if the tariff were raised, as the domestic manufacturers would immediately fall in line and increase their prices accordingly. Of the two, we should much sooner have the tariff lowered a little, but our judgment would be that the present schedule was just about right for the protection of the pulp manufacturers and the paper manufacturer as well.

Yours, truly,

KALAMAZOO PAPER COMPANY.

SENECA FALLS, N. Y., *November 16, 1908.*

MESSRS. COM., ETC.

GENTLEMEN: I object to any change in present tariff on wood pulp.

Yours, truly,

E. S. INGERSOLL.

CASTLETON, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD-PULP IMPORTERS,
New York.

GENTLEMEN: We have yours of the 14th in reference to duty on wood pulp, and would state that we do not buy wood pulp, therefore have no interest in the matter beyond an indirect one. It is our opinion that the duty is high enough to protect the manufacturers in the United States. On account of low-water conditions, we understand pulp is very high just at present. Probably your demands of importations when under normal conditions would be shut off and probably at a loss to importers. However, these conditions are not likely to prevail for long; therefore think our domestic manufacturers can stand it.

Yours, truly,

INGALLS & CO.,
H. H. G. INGALLS, *Secretary.*

PHILADELPHIA, *November 16, 1908.*

COMMITTEE OF WOOD-PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: Yours of the 14th received. Our mills are making board from old papers, so that while we join you in your protest against higher tariff, we can not do so as users of pulp.

Very truly, yours,

ELLSWORTH H. HULTS, Jr.

NORWICH, CONN., *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS.

GENTLEMEN: Yours of the 14th received, and we are satisfied with the tariff upon wood pulp as it is at present and do not think it necessary for any advance to be made, as the manufacturers have to pay as much as it is possible for them to do and live and carry on their business of making paper for the market, competing with other foreign papers.

Yours, truly,

THE A. H. HUBBARD CO.,
CHARLES L. HUBBARD, *President.*

POTSDAM, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
Room 721, Beekman Street, New York City.

GENTLEMEN: We have your circular of the 14th, and note contents. We are opposed to any change in the tariff on wood pulp at this time because we are satisfied with the situation as it now exists. We are manufacturers of nothing but ground wood, and therefore an advance of the duty would not be likely to affect us adversely. At the same time, it is our opinion that it is better to leave conditions as they are, as we think that the interests of the paper manufacturers and the paper consumers would best be served by preserving stability in the tariff.

The protection afforded by the present tariff is a reasonable and proper one, and is the result of years of experience. We should not view with favor any reduction, nor do we think that it would be wise to advance the duty, taking into consideration all the conditions which have to do with the operation of the various branches of paper manufacture.

Yours, respectfully,

HANNAWA FALLS WATER POWER COMPANY,
Per E. A. MERRITT, Jr., *Receiver.*

PHILADELPHIA, *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
Room 721, 5 Beekman Street, New York City.

DEAR SIRS: We are in receipt of your letter of November 4, requesting an expression of opinion upon the subject of an advance of the duties on wood pulp.

We are users of wood pulp, and in considerable quantity, in our manufacture. We beg to state that the present price of paper is so low and the margin of profit so small that if there is an increase in the duty of wood pulp it can not possibly be borne by our branch of the manufacture and will have to be added to the price of the paper. There is no doubt, therefore, that if the duty is advanced the price of our product must advance accordingly, and as it enters into our paper in considerable percentage the advance of our price will have to be at least proportionate.

Truly, yours,

THE GLEN MILLS PAPER COMPANY,
Per THOS. L. SHAW.

APPLETON, WIS., *November 16, 1908.*

The COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: Replying to your favor of the 14th instant, we are of the opinion that the present tariff on imported sulphite is all that is necessary to afford proper protection to domestic manufacturers. Strictly speaking, and from a selfish standpoint, it probably would be more to our interest if the duty might be removed; yet, we are believers in the principle of protection, and while sulphite to us is a raw material it is a finished product to others engaged in its manufacture. Certainly we believe that the duty should not be increased.

Yours, truly,

FOX RIVER PAPER COMPANY.

ROCHESTER, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: Replying to your circular letter of the 14th instant, beg to state we are against any change in the tariff on pulp and paper.

Yours, very truly,

FLOWER CITY TISSUE MILLS COMPANY,
By F. M. NEPHEW.

BENNINGTON, VT., *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
Room 721, 5 Beekman Street, New York.

GENTLEMEN: We are duly in receipt of yours of the 14th instant. In reply will say that we see no good reason why the present duty on pulps should be increased. The present price of tissue paper is too low as compared with the present price of sulphite and ground wood, and if the duty on pulps was increased the prices of paper would have to be increased accordingly.

We are opposed to any increase of duty on pulps.

Very truly, yours,

FILLMORE & SLADE,
By H. D. FILLMORE.

FALLSBURGH PAPER MILLS,
Fallsburg, N. Y., November 16, 1908.

AMERICAN PAPER AND PULP ASSOCIATION.

GENTLEMEN: Yours received. We use both foreign and domestic sulphite and ground wood, and am in favor of having the tariff remain as it is on them.

Most truly,

EDW. Y. LE FEVRE.

VINCENNES, IND., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City, N. Y.

GENTLEMEN: Your "circular letter" relating to tariff on "wood pulp" received. In reply beg to say we do not believe the duty on wood or wood pulp will be raised, as the tendency and agitation is just the opposite.

We use considerable "print" in lining strawboards, but we are not advocating the lowering of the tariff as we are not "free traders," and we do not believe the tariff rate will be increased, as your circular letter suggests. We are,

Yours, respectfully,

EMPIRE PAPER COMPANY,
F. W. QUANTZ, *Manager.*

SUNAPEE, N. H., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS.

GENTLEMEN: Replying to your favor of the 14th, we hardly feel that we can support any movement for the sulphite manufacturers to increase the duty on foreign pulp. Our opinion is that with the present duty the domestic sulphite manufacturers ought to be able to compete with the foreign manufacturers, and, even if they do have to undersell slightly the foreign manufacturers, that there should still be a good margin of profit to them.

Our idea of the situation is that the domestic manufacturers thought there was no end to the price they could charge and went beyond the limits of good judgment in their prices, so letting in the foreign pulps.

I am, however, in favor of retaining the present tariff.

Very truly, yours,

EMERSON PAPER COMPANY,
W. A. WHITNEY.

PHILADELPHIA, *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York.

DEAR SIRS: Referring to your letter of the 14th, we have given the matter of the present duty on wood pulp careful consideration, and from our standpoint we do not see how our interests on this side advance by either raising or lowering the present rates of duty.

We think they are very fair as they now stand.

Very truly, yours,

DILL & COLLINS CO.,
GRELLET COLLINS,
President.

NEW YORK, *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York.

GENTLEMEN: Acknowledging receipt of your circular letter with regard to the tariff on wood pulp, we think it would be unadvisable to make any change in the present rate of duty on the same.

Very truly, yours,

DIAMOND MILLS PAPER COMPANY,
C. G. VAN GILDER, *Secretary.*

PHOENIX, N. Y., *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York.

GENTLEMEN: In reply to your favor of the 14th we regret to say that it will not be convenient for us to attend the proposed meeting.

Regarding the tariff agitation and any intended advance on pulps coming into this country, we can only say that in self-protection we can take but one position—we are unalterably opposed to any advance in the present schedule. It seems to us that when it is known that the supply in this country is short at best, and under adverse conditions such as have prevailed recently the pulp mills have not been able to nearly meet the demand, any person or committee who tried to advance the rates of import would only do so to the great detriment of the paper mills who purchase their pulp. We shall be glad to see their efforts sidetracked.

Very truly, yours,

CRESCENT PAPER AND MACHINE COMPANY.

MARSEILLES, ILL., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: Regarding your favor of the 14th instant, we believe it would be inadvisable to make any change in the tariff on sulphite or pulp, for the reason that it would upset present conditions and increase the cost of all grades of paper and board using this raw material, and we trust that your committee will be successful in preventing any change in the present situation.

Yours, very truly,

CRESCENT PAPER COMPANY,
R. F. KNOTT, *President.*

WEST HENNIKER, N. H., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: Replying to yours of the 14th, we had no idea that there was any prospect of increasing the present duty on pulps. All the agitation we have heard of was in favor of reducing same.

It is our opinion that it would be advisable to maintain the rates about as they are at present.

Yours, truly,

CONTOOCOOK VALLEY PAPER COMPANY,
H. A. EMERSON, *Treasurer.*

HUNTINGTON, MASS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS.

GENTLEMEN: Your circular letter of the 14th received. As we are one of the divisions of the American Writing Paper Company, we have referred your letter to our president, Mr. W. N. Caldwell, Holyoke, Mass. You have the sympathy of this division in your efforts not to have the duty on pulps increased.

The compliments of the writer to each gentleman represented on the committee.

Yours, truly,

CHESTER PAPER COMPANY DIVISION,
E. C. ROGERS, *Manager.*

LITITZ, PA., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS.
New York, N. Y.

GENTLEMEN: We have yours of the 14th instant relative to the possibility of an increase in the duty on pulps, and we wish most emphatically to go on record as being most strenuously opposed to any such legislation.

Yours, very truly,

THE CONSUMERS BOXBOARD AND PAPER COMPANY,
H. J. PIERSON, *General Manager.*

SOUTH HADLEY FALLS, MASS., *November 17, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: In answer to your circular letter of the 14th instant, beg to state that you are right in your supposition that we are opposed to any advance in duty on foreign pulp. We might also add that we have the same opinion as the Hampshire Paper Company upon this matter.

Yours, truly,

CAREW MANUFACTURING COMPANY,
W. D. JUDD, *President.*

KALAMAZOO, MICH., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: Yours of the 14th at hand, and we certainly should not like to see the duty on wood pulp raised, and we remain,

Yours, very truly,

BRYANT PAPER COMPANY.

HOUSATONIC, MASS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: Replying to your favor of November 14, we would say that we are opposed to any increase in the duty on wood pulp. On the other hand, we do not think the duty ought to be reduced. Domestic manufacturers are entitled to protection on their product the same as we ask for ours.

Yours, truly, B. D. RISING PAPER COMPANY.

ROCKFORD, ILL., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: It has come to our notice that there will be an effort made on November 21 to start a movement raising the duty on wood pulp, which, in our opinion, would benefit nobody but a few wood-pulp manufacturers and work a hardship on the consumer of all grades of pulp, which is now almost out of the reach of the manufacturers of the cheaper grades of paper. We, as users of the several grades of pulp, respectfully appeal to you to use every means in your power to prevent this advance.

Thanking you for any efforts you may take, we remain,

Yours, very truly,

ROCKFORD PAPER BOX BOARD COMPANY,
R. WANTZ, *Manager.*

PITTSTON, PA., *November 16, 1908.*

GENTS: I am very much opposed to any advance in the present tariff on wood pulp of any kind.

Yours, respectfully, G. B. ROMMEL.

SCOTCH PLAINS, N. J., *November 17, 1908.*

GENTLEMEN: We are not in favor of adding to the cost of the pulp we are using by having the tariff increased.

Yours, truly,

SEELEY PAPER MILLS COMPANY.

KALAMAZOO, MICH., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: We have your letter of the 14th in regard to the tariff on imported wood and sulphite, etc., and in answer would say that we do not think the tariff had ought to be interfered with in any way, and that means that we consider it just about right as it is.

Yours, very truly,

STANDARD PAPER COMPANY,
J. H. WHITNEY, *Manager.*

RICHMOND, VA., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

DEAR SIRS: Referring to your favor of November 14 in reference to the duty on wood pulp, will state that we think that it would be unwise for Congress to increase the duty on this material, as we ourselves do considerable export business and presume that other paper manufacturers do the same thing.

If the duty were increased on wood pulp of any kind this would naturally throw us out of line with the prices of our foreign competitors in Germany and Sweden.

We hope, therefore, that there will be no change in these duties.

Yours, truly,

STANDARD PAPER MANUFACTURING COMPANY,
R. S. CRUMP, *Secretary and Treasurer.*

FULTON, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: We wish to authorize you in our behalf to make just as strong a protest as you possibly can in the hearing before the Ways and Means Committee at Washington against any advance in the tariff rates on sulphite or ground wood.

There can be no question but that these articles are now sufficiently protected, and if there is any change in the tariff it should be downward rather than upward.

We believe it would be a most serious mistake if any advance in the present tariff rates on wood pulp was made.

Yours, very truly,

THE VICTORIA PAPER MILLS COMPANY,
By E. R. REDHEAD, *President.*

SKANEATELES, N. Y., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: While we are not large consumers of pulps, we certainly do not want to see any disturbance in the tariff, as that would affect our business in proportion.

We trust you will use your best endeavors to see that no disturbance occurs.

Yours, truly, CHARLES G. WEEKS COMPANY.

APPLETON, WIS., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York, N. Y.

GENTLEMEN: Replying to your letter of the 14th, we are not prepared to give you such a letter as you ask for, although upon further investigation it might prove to our interest to give it.

As we look at it, the whole paper industry must be considered as a whole, and if it develops that it is to the advantage of the trade generally to have a higher duty on sulphite pulp, we are willing that it should be put on. On the other hand, if it develops that a lower duty would be of more benefit, then we are ready to acquiesce in that.

With the information at hand now, however, we can not express an opinion either way.

Yours, respectfully,

WISCONSIN TISSUE PAPER COMPANY.

WELLS RIVER, VT., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York.

GENTLEMEN: Replying to yours of the 14th, we would state that we do not use any sulphite pulp, our raw material being burlap, etc.

We realize, however, that higher duties on sulphite would be a serious handicap to the majority of tissue manufacturers, as the imported article is really necessary to them. We remain,

Yours, very truly,

ADAMS PAPER COMPANY,
H. CRABTREE, *Manager.*

BELLOWS FALLS, VT., *November 16, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
Room 721, 5 Beekman Street, New York.

GENTLEMEN: We are in receipt of your favor 14th, and would state that in our judgment we believe the duty on sulphite should remain as it is.

Yours, truly,

JOHN ROBERTSON & SON.
C. W. BLACK.

BOSTON, *November 20, 1908.*

The G. W. WHEELWRIGHT PAPER COMPANY.

GENTLEMEN: We understand that you propose to be represented in Washington by way of protest against any increase in the tariff on chemical wood pulp, which is taxed under "Schedule M," as follows: Unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight.

We wish to make a similar protest.

We manufacture in Maine rising 45,000 tons of chemical wood pulp by the soda process, so-called, more than one-half of which we sell to manufacturers of paper, the balance being used in our own paper mills. We think the protection afforded our product is ample under existing law.

We buy about 14,000 tons of chemical wood pulp, mainly unbleached, made by the sulphite process, for use in our paper mills. Of this amount more than one-half is of foreign origin, five-eighths of our foreign purchases being Canadian. The cost of the foreign pulp

to us, delivered at our mills, is about $4 per ton more than the cost of domestic pulp, and the specific duty amounts to more than 8 per cent ad valorem.

The above figures relate to the years 1907 and 1908. The large proportion of foreign pulp used in these years is mainly due to the fact that in the last part of 1906 and the early part of the year 1907 we found difficulty in obtaining domestic sulphite pulp at reasonable prices.

It would seem that sufficient protection is at present afforded to American manufactures on this item, and that an increase in the rate of duty levied might result in an unnecessary addition to the cost and to the price of paper in this country.

We own three mills, situated in Maine, two paper and one soda pulp mill. Our product of book and surface-coated papers is about 45,000 tons per annum.

You are authorized to make the above representations to the Committee on Ways and Means in our behalf.

Yours, very truly,

S. D. WARREN & Co.

P. S.—We wish to add that no individual or association is authorized to represent us in respect to the tariff on printing paper. We should not object to a revision of this schedule, provided, in connection with it, are fairly considered the present rates of duty on articles entering the cost of manufacture, such as coal, clay, chemicals, and structural materials.

PHOENIX, N. Y., *November 20, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: Your favor of the 14th received during the writer's absence, and now beg to state that our position in the matter of tariff revision on paper, wood pulp, and sulphite is that no change should be made whatever—that the schedule should remain exactly as it is now.

Very truly, yours,

SWEET BROS. PAPER MFG. CO.,
Per T. C. SWEET.

BUTTE, MONT., *November 19, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
5 Beekman Street, New York City.

GENTLEMEN: Replying to your circular letter dated the 14th instant, subject duty on wood pulp, will say that at the present time our mill is not in operation, due principally to the high freight rates and the lack of proper consideration from the railroad companies for prompt service.

We would most certainly oppose a further increase of duty of both the chemical and mechanical pulp, and would earnestly solicit your efforts in our behalf to secure better service from the railroads.

Yours, truly,

KING & LARGEY PAPER MILLS.
J. M. HOWARD, *Manager.*

CINCINNATI, OHIO, *November 20, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS.

GENTLEMEN: Replying to your favor of the 14th instant, would say that we are opposed to any increase of duty on wood pulp for two reasons. The first is that wood pulp enters very largely into the manufacture of paper which is used for printing, and to make it more costly would simply mean that the cost of printed matter would be increased.

It is a question whether or not the public is willing to pay higher prices for its daily papers, its books, and its literature generally. We think that it is not willing, and we believe that anything tending to increase the cost of these almost necessaries of life will be very strongly resented by the people of this country.

Another reason which we think should appeal to the congressional committee having this matter in charge is that of the preservation of our forests. If it is made difficult or impossible to bring wood pulp here from foreign countries we shall have to rely upon native sources of supply, and they, as you are undoubtedly aware, have been seriously depleted of late years.

Anything tending to further the destruction of these forests will, we think, be equally resented by our people.

Yours, truly,

THE KNERR BOARD AND PAPER CO.,
W. J. HALDEMAN, *Treasurer.*

MT. VERNON, IND., *November 19, 1908.*

COMMITTEE OF WOOD PULP IMPORTERS,
New York City.

GENTLEMEN: Your circular letter in relation to agitation in regard to revision of tariff on wood pulp, print paper, etc., received. We are not users of wood pulp, but we are in sympathy with all those who are engaged in the manufacture of material entering into paper of whatsoever kind, as well as the paper manufacturer, and think there should not be any duties taken off by Congress which would allow the free entrance into the United States of paper or material entering into the manufacture of paper, realizing as we do that our own industries should be preferred first, last, and all the time; also knowing that the profits on our manufactured goods are not excessive, and many concerns are realizing but little from their investments.

Trusting that our Representatives will not bother with the present duties, we are.

Very truly, yours,

MT. VERNON STRAWBOARD CO.,
R. A. AUSTIN, *Manager.*

THE MONADNOCK PAPER MILLS, BOSTON, THINKS THERE SHOULD BE NO INCREASE IN DUTY ON PULP.

BOSTON, *November 20, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: We understand that the American Pulp and Paper Association is advocating and is going to present to you on the 21st instant its views as to raising the duty on imported pulps from Europe to 100 per cent.

We are members of the above association, but we wish to go on record as being strongly opposed to any such change in the tariff.

We are not manufacturers of pulp and are obliged to buy all of our pulp for the manufacture of our paper, and while we buy more or less of it made in this country as well as in Canada we still buy a large quantity from Germany and Sweden, for the reason that the quality of our paper demands in some instances a better grade of pulp than can be made in this country. We have never yet seen pulp made here of as good quality as that made abroad, and while there are a few mills here that if they exerted themselves could manufacture this quality, they would not make enough to supply the demand for this grade, and if the duty were raised 100 per cent on the foreign pulp they could make their prices exorbitant. Many of the mills in this country make their own pulp and their own paper together, and have some pulp for sale, and a raise in the duty to this figure would benefit them very materially, but it would be a distinct detriment to the mills like ourselves who are obliged to buy pulp in the foreign market, and a large proportion of the paper so made in this country is made by mills situated in similar circumstances as ourselves.

We trust that no change will be made in the way of an increase of duty on European pulps.

Yours, very truly,

MONADNOCK PAPER MILLS,
A. J. PIERCE, *President.*

THE TILESTON AND HOLLINGSWORTH COMPANY, OF BOSTON, OPPOSES INCREASE OF DUTY ON WOOD PULP.

BOSTON, *November 20, 1908.*

Hon. SERENO E. PAYNE, M. C.,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: This company is opposed to any increase of duty on wood pulp for the following reasons:

Our mill is situated near this city and produces about 30 tons of high-grade paper per day. We buy all of our wood fiber, not being able to manufacture it, owing to the location of our mill. The low grades are almost entirely of domestic production, but many of the higher grades of foreign sulphite fiber are of superior quality to any made in this country, and for that reason we are compelled to use them in order to obtain certain desired traits in our papers.

We are content with the present duty on wood pulp, and believe that it is probably necessary for the protection of the American pulp manufacturers.

We protest, however, against any increase in the said duty. The majority of paper mills in the United States make their own pulp, manufacture the larger part of their pulp into paper, and sell any surplus which they may have. An examination into the cost of paper making and into the price at which these mills sell their paper will very quickly show at what value they take their own pulp when put to their own uses, and tend to confirm our belief that they already have ample protection.

Very respectfully, yours,

TILESTON AND HOLLINGSWORTH COMPANY,
GEO. F. CHILD, *Treasurer.*

FINCH, PRUYN & CO., GLENS FALLS, N. Y., STATE THAT PRESENT PULP AND PAPER SCHEDULE IS SATISFACTORY.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I represent Finch, Pruyn & Co. (Incorporated), a domestic corporation of New York State engaged in the manufacture of paper and lumber at Glens Falls, N. Y. The production in paper, which is all news print, is approximately 18,000 tons per annum. It saws into lumber from 15,000,000 to 20,000,000 feet per annum. The company employs approximately 500 men in its manufacturing departments and in its woodland operations. The city of Glens Falls has a population of about 20,000, and its staple industry is paper making, there being a mill of the International Paper Company located there. I am manager of the woodland department of the Finch, Pruyn & Co., and, because of the fact that the corporation is next to the International Paper Company, the largest owner of New York State woodland, and is annually cutting a supply of wood from these lands, I am able to supply the committee with accurate figures on the cost of production of pulp wood in New York State, and perhaps in addition to provide an illustration of what the effect of the tariff may be upon woodlands in our section.

Our company owns 160,000 acres of Adirondack forest land. The experts say that the annual growth of spruce and hemlock upon these lands is something like 60 feet to the acre. If we exclude 10,000 acres for burns and waste land, it leaves 150,000 acres and, assuming that the figures on annual yield given by the experts is correct, our forest would produce something like 15,000 cords of wood per year. The capacity of our present ground-wood mill is about 18,000 tons per year. Each cord of rough pulp wood produces 1,800 pounds of mechanically ground wood, so that our present use of pulp wood for ground-wood purposes is approximately 20,000 cords per year. Because of the fact that our woodlands would not supply sufficient wood for a sulphite mill to supply our sulphite, we have in the past purchased our sulphite in the open market.

The difference between our consumption of pulp wood and the yield from our own lands we purchase in the open market, mainly

from Canada. In the year 1907 we purchased 691 cords of rough, 8,028 of peeled, and 1,341 cords of rossed Canadian pulp wood.

In the same season we cut from our own lands in New York State 31,397 cords of pulp wood and logs, the total cost of which, for removal from the stump to the nearest water for floating and driving to our mill, was $141,115.60. To drive this wood to our mill we expended $28,001.94, and there was chargeable against it for sundries, office salaries, etc., $8,708.25, making the total cost of getting this wood from the stump to our mill $177,824.79, or $5.66 plus per cord. The stumpage value of this wood it is somewhat difficult to fix, as the rapid increase in the value of stumpage of Adirondack land for various purposes is well understood. However, the generally accepted value of stumpage for pulp wood purposes is from $2 to $2.50 per cord and, assuming this stumpage to have an average value of $2.25 per cord, we get a total cost per cord at our mill of $7.91 for the wood delivered in 13-foot logs. In making comparisons with the cost of Canadian wood, it should be borne in mind that the Canadian wood is cut into 4-foot lengths, while the New York State wood, from which I have given figures, comes to the mill in the log.

The Canadian wood purchased by this company, as stated above, is bought in the open market at points on the Grand Trunk Railway east of Quebec at $7 per cord for hand-peeled 4-foot wood, and the rough wood was bought in the same section at $5.50 to $6 per cord and the rossed was bought delivered at Glens Falls at $11 per cord. The estimated cost of delivering 4-foot rough pulp wood at Montmagny and St. Catherine, Quebec, by the sea-coast lumber company, one of the venders of the wood above referred to, was $2.90 per cord for Montmagny and $3.30 per cord for St. Catherine. These figures were made up of the items of $2 per cord for the labor of laying the wood at these points, plus 50 cents per cord in the case of Montmagny and $1 per cord in the case of St. Catherine for driving, booming, and sorting and 40 cents per cord in each case for stumpage.

We are supplied with figures upon the cost of delivering pulp wood to us at the mouth of the Jacques Cartier River, about 20 miles west of Quebec on the St. Lawrence. The items are $2 per cord for labor from the stump to the driving water; driving, loss of measurement, rossing, and loading, $1; total cost of wood per cord, $3. No account of stumpage value is included in the above figures.

To protect our New York State forest lands and provide for an annual yield, which shall be permanent, we have asked the United States forestry department to supply us with a working plan for cutting our wood and the department is now at work upon such a plan. So long as we are able to make up the deficiency between our consumption and the annual growth of our own wood, at anything like the present prices for Canadian wood, we shall lumber, under the plan proposed by the United States Department. Should an export duty bar us from the Canadian market, we would be forced to increase the cutting upon our own land, and should the present tariff schedule on news print be reduced so that we would be forced to compete with the Canadian mills, having the chief source of wood supply above referred to, it would be necessary to look to our own wood land for our entire supply of pulp wood, which would mean that in not to exceed twenty-five years the land would be denuded. Were it

not for the rapid increase in value of our New York State wood land, it might be that there would be a greater profit in denuding the property and keeping out of the Canadian wood market than under the present plan of operating.

The present tariff schedule is satisfactory to this company, and to reduce it means to compel us to seek our source of supply of raw stock in northern New York; and, while it may mean that we shall be able for some years to compete with the Canadian mills, it plainly means that this can be done only through a sacrifice of the future forest growth in our section. The only way to prevent this effect of any substantial tariff reduction would be for the State of New York to condemn the forest land and pay its present value.

In conclusion I desire to express, on behalf of our company, our approval of the conclusions expressed by Mr. Lyman on behalf of the International Paper Company.

Respectfully submitted.

FINCH, PRUYN & Co. (INC.),
By GEO. N. OSTRANDER,
Manager Woodlands.

THE ST. REGIS PAPER CO., WATERTOWN, N. Y., WRITES RELATIVE TO STATEMENT MADE OF PRICE OF PRINT PAPER.

WATERTOWN, N. Y., *November 23, 1908.*

Hon. S. E. PAYNE, M. C.,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: I desire to call your attention to a statement made by John Norris in his brief presented to your committee on Saturday, November 21, which is untrue, together with evidence thereof.

The following appears in the first paragraph of Mr. Norris's brief:

> This curtailment of production has been availed of by paper makers generally to mark up the price of news print paper this week to $55 per ton New York, or $20 per ton in excess of the price which prevailed when the Ways and Means Committee considered this schedule twelve years ago, and $15 per ton in excess of the price which would prevail under normal conditions.

I inclose herewith a copy of a letter written by me to Mr. Norris on November 13, in which we quote him paper at the rate of $42 per ton for an annual contract of 3,000 tons or more f. o. b. mill. The rate of freight to New York from the mill is $2.60 per ton, making our quotation $44.60 per ton New York instead of $55 per ton New York.

Our quotation to Mr. Norris of November 13 has not been withdrawn; indeed, the quotation was confirmed to Mr. Herman Ridder, president of the American Newspaper Publishers' Association, during the week, and as late as Saturday, November 21.

I also inclose quotations published by the New York Journal of Commerce and the Commercial Bulletin in their edition printed Saturday morning, November 21, confirmatory of my own quotations, and representing, from their own investigations, current prices.

Yours, very truly,

ST. REGIS PAPER COMPANY,
G. C. SHERMAN.

EXHIBIT A.

ST. REGIS PAPER COMPANY,
Watertown, N. Y., November 13, 1908.

JOHN NORRIS, Esq.,
American Newspaper Publishers' Association,
New York City.

DEAR SIR: Messrs. H. G. Craig & Co., sales agents of the St. Regis Paper Company, have been authorized to establish the following prices, subject to change without notice. These prices apply to our product in the eastern territory, and are absolutely invariable, not only as to price, but to terms as well. The quantities are for annual consumption, to be shipped monthly during the year, as near as may be, viz:

3,000 tons or more	$2.10
2,000 tons to 3,000 tons	2.12½
1,000 tons to 2,000 tons	2.15
500 tons to 1,000 tons	2.17½
100 tons to 500 tons	2.20

Prices f. o. b. cars mill, cash thirty days from shipment. Paper to be charged at gross weight, including cores, cores to be credited at 1 cent per linear inch when delivered to the mill. While we have noted that prices are subject to change without notice, it is not intended that they will change excepting as conditions change.

Our product is, as you know, not elastic, and we can not sell more than our unsold production, based upon normal running. At the present time we have about 60 tons a day available for 1909.

When water conditions become normal again, we intend to make a public quotation for such tonnage as we have available for immediate delivery, or, say, within thirty days, but just at the moment we are not disposed to quote on any other basis than for yearly contracts.

Yours, very truly, G. C. SHERMAN.

EXHIBIT B.

Paper.—Little improvement is reported in the water-supply situation at the mills and the consequent restriction of production keeps available supplies of news print scarce. With a good demand for both sheet and roll the market is very firm. Increasing demand is noted for wrappings, and a good business is being done in book and writing papers at full prices.

Roll, annual contracts, f. o. b. mill	$2.05	@	$2.10
Roll, transient orders, immediate delivery	2.25	@	2.50
News, sheet, annual contract, f. o. b. mill	2.15	@	2.20
News, sheet, transient orders	2.30	@	2.50
Wrapping, No. 2, jute			4.37½
Wrapping, manila, No. 1, wood	2.65	@	3.15
Wrapping, manila, No. 1, jute			4.75
Wrapping, manila, No. 2, wood	2.35	@	2.60
Wrapping, hardware	3.50	@	4.50
Writing, flat, ledger and record	.09	@	.20
Writing, superfine	.11	@	.17
Writing, fine	.07½	@	.09
Writing, engine sized	.06	@	.07½

Book	$3.50	@	$3.80
Book, coated	.05	@	.06½
Tissues, white, No. 1	.40	@	.41½
Tissues, white, No. 2	.37½	@	.40
Tissues, colored	.40	@	.41½
Tissues, manila, No. 1	.35	@	.40
Tissues, manila, No. 2	.35	@	.38
Strawboard, carload lots, per ton	20.00	@	25.00
Newsboard, carload lots, per ton	24.00	@	27.00

JOHN NORRIS, REPRESENTING THE AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION, SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO PULP, AND PRINT PAPER.

NEW YORK, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives,
Washington, D. C

GENTLEMEN: In view of the fact that the chairman asked a representative of the International Paper Company to submit a statement of the securities given in exchange for mills merged into that company, I venture to furnish a memorandum bearing upon the condition of those mills when merged. I present the following.

Yours, truly,

JOHN NORRIS,
Chairman Committee on Paper,
American Newspaper Publishers' Association.

In January, 1898, all the large paper mills of the Eastern States, with a few unimportant exceptions, were merged into the International Paper Company. This corporation was capitalized upon a basis of $55,000,000, divided as follows:

Bonds	$10,000,000
Preferred stock	25,000,000
Common stock	20,000,000

The basis of the consolidation was as follows:

Corporation.	Tons.	Total.
Glen Manufacturing Co	135	$4,344,000
Winnipiseogee	70	2,135,100
Fall Mountain	100	4,105,807
Russell Paper	20	684,000
Niagara Falls	120	3,059,800
Webster Paper	26	832,800
Haverhill	40	228,000
Hudson River (Plattsburg, Glens Falls, St. Maurice Lumber Co.)	189	3,103,280
	275	7,985,825
Umbagog	20	556,800
Otis Falls	150	4,976,530
Falmouth	60	.....
Herkimer	25	503,560
Lake George	50	1,231,200
Turners Falls	11	228,000
Rumford Falls (plus Woodland)	100	2,280,000
Piscataquis	30	506,000
Ontario	28	412,000
Montague	50	1,045,000

Five of the paper mills (Rumford, Niagara, Fall Mountain, Turners Falls, and Montague) rented their power at a total annual cost of $196,000 per annum. Two others were run by steam, which made

successful competition by them impossible, and five others had insufficient power. Four owned no wood lands and ten of the mills had no sulphite auxiliaries.

One hundred and one paper-making machines were comprised in the plants of these mills, but only half of them were of recent construction or of desirable pattern. Fifty of the paper machines in the mill were almost worthless. Mr. Whitcomb, general manager, on page 1072 of his testimony before the Mann committee, submitted a table of 67 paper machines making news print paper. Referring to a list of 101 paper machines, he said:

> They were all making news at the time they were taken into the company.
> Out of this list of machines, 3 were sold, that is, the mills containing 3 machines were sold; 15 machines were discontinued; 5 machines were leased; the plants containing 5 machines are at present under lease.

In further explanation of Mr. Whitcomb's testimony and to reconcile his statement that only 67 paper machines are now making news print paper, it should be stated that 15 machines have been diverted to the making of other kinds of paper.

Not one of the mills in all the combination possessed all of the six essentials of the cheapest and most successful manufacture, namely, cheap wood, cheap and ample water power, cheap rates to market, modern machinery, wholesale production and concentration at one place under one supervision.

One mill (Haverhill) was dismantled after purchase. One mill included in this combination (Rumford Falls) made profits of $488,000 in four months on a capital of $500,000 and entered the trust on a basis that yielded $4.50 for every dollar of original investment, so that in forty-four months the total return on an investment of $500,000 was $2,750,000. Yet that mill was in such poor shape when acquired by the trust that an enormous outlay was necessary to bring it into condition.

Another mill (Ontario) averaged profits of from 32 per cent to 48 per cent per annum, and took $4 in trust securities for every $1 of its stock.

One plant (Lawrence) which could not make newspaper on a number of its machines was unloaded upon the trust at a valuation of $22,000 per ton of daily output as a premium to the promotor of the International Paper Company, Mr. W. A. Russell.

Another mill that had not made any money in ten years was turned in at $22,000 per ton of daily output.

For a mill (Herkimer) that made not 1 cent of profit in 1897—a mill which had no water power, no sulphite attachment, and which carted its pulp 2 miles, an appraisement of $570,000 was put upon it in its merger into the trust.

An allowance of nearly $8,000,000 was made for a mill (Glens Falls) one-half of which might better be located upon Boston Common or in New York City. Five years previous the stock capital of that concern had been $300,000.

Another company which was merged into the trust on a basis of $3,500,000 had been started on an investment of $60,000—Glen Manufacturing Company.

These details are given to show the character of security which you are now asked to protect.

Respectfully submitted.

JOHN NORRIS.

ARTHUR C. HASTINGS, NEW YORK CITY, FILES SUPPLEMENTAL STATEMENT RELATIVE TO PRINT PAPER.

NEW YORK, *December 8, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: I am glad to be able to take advantage of your kind request for information from the manufacturers' standpoint as to what the effect would be on the paper manufacturers by the removal of the duty of $6 per ton on printing paper; also the answer to the request of Mr. Underwood at the proceedings on November 21, evening session; also the request of Mr. Gaines as to the increased cost of a single paper of certain size and weight. I will make each of these calculations and attach hereto. The actual cost conditions in other countries than our own make it necessary that the present duty be retained if the paper manufacturers in the news or wood papers, or so-called wood papers, are to continue in business. I believe that there has been enough testimony before your committee and the select committee of Congress to prove that there has been no adequate return on the capital invested in the paper-manufacturing business in the last twenty-five years, and that the reduction of the duty would mean in a very short time the actual extinction of the average United States paper mills making so-called wood papers.

MEMORANDUM OF COMPARATIVE COST OF NEWS PAPER AS COMPARED WITH OTHER COUNTRIES.

The figures which are used in this compilation are gathered from reports made by the Department of Commerce and Labor from pay-roll sheets of the International Paper Company, and would be more correct probably than any figures, coming from an individual mill. Based upon these figures, the rates as to the cost of labor for a ton of finished paper is, in the United States, about $8; in Canada, $5.46; Norway and Sweden, $2.22; Germany, $2.48; Austria, $2.09; so that the difference in cost of manufacture in wages alone for all the countries named, except Canada, is nearly the amount of duty, or $6 a ton. Taking the lower cost of material used in a paper mill which a United States manufacturer has to pay the difference of coming from these countries, their cost of production is more than $6 a ton less than ours. As to the Canadian duty, which is $2.54 a ton on labor alone, there should be added the saving made in manufacture in Canada over the United States mill through their cheaper supply of wood, due to the fact that the actual labor in the woods is cheaper there than in the United States and the fact that many of the mills have the wood delivered to them from the river without any freight. These two items alone, labor and wood, would practically make up the difference in the cost amounting to the present tariff. The matter of cost has been gone into so exhaustively by your committee and the select committee of Congress that this information could be gotten in detail much more readily than I could give it to you.

When the manufacturers of paper in this country do not have enough business to keep their mills fully supplied with orders, prices naturally go down. When there is more than enough business to keep them supplied the prices naturally go up, and foreign paper

comes in, as the foreigner can export to this country profitably at any time, pay the duty, and leave him a profit. In Germany they can export their surplus at an actual manufacturing loss and keep their prices up in the home market. If the duty were removed it can be readily seen what the outcome would be.

MEMORANDUM OF SAVING IF DUTY WERE REMOVED AND THE SAVING ACCRUED TO THE PURCHASER.

While I do not admit that the removal of the duty on news paper would result in a saving to the publishers of the duty collected, supposing for the sake of argument that it did, an eight-page paper of the Staats Zeitung size, of New York City, of the date of December 3, 1908, as an example, 1,000 copies would weigh 120 pounds. At 2½ cents per pound, the cost would be $2.70, or the cost per single copy of 2$\frac{7}{10}$ mills. The present duty, amounting to $6 per ton, would amount on 1,000 copies to 36 cents, or on a single copy to thirty-six one hundredths of a mill. It takes 8 papers to weigh 1 pound. On the average rural newspapers using a sheet of paper 30 inches by 44 inches, weighing 100 pounds to 1,000 sheets, having a weekly circulation of, say, 1,000 copies or 52,000 copies in a year, the saving would be, if the price were 2½ cents per pound, $15.60, or on a single copy three-tenths of a mill. It would take 10 papers of this size to weigh 1 pound.

ARTHUR C. HASTINGS.
President American Paper and Pulp Association.

THE MOUNT TOM SULPHITE PULP COMPANY ASKS RETENTION OF PRESENT DUTY ON ITS PRODUCT.

BOSTON, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIR: The Mount Tom Sulphite Pulp Company manufactures a high grade of bleached sulphite pulp, about 30 tons daily, for fine papers, such as fine book and writing paper, and all its product is sold to mills making such paper and replaces just so much foreign pulp, as our competition is directly with the mills in Sweden, Norway, and Germany. The cost of labor at this plant is double that of the mills referred to above per ton of pulp made; we work our men on three tours in twenty-four hours instead of two tours, as the foreign mills do. We put just the same amount and kind of work in the preparation of our wood as is done in Europe—that is, in barking, boring out knots, cleaning chips, etc.—and where they employ boys, and even girls, we are compelled to employ men, as boys and girls for this kind of work in this country are not to be had or allowed by law. We cook our fiber long hours, putting the same amount and kind of work in washing, screening, bleaching, rescreening, etc., as they do.

None of the grade of pulp we manufacture is exported, while a very large amount (43,000 tons in 1897, or 42 per cent of all bleached pulp sold in this country) is imported.

From figures already submitted to your committee by the pulp and paper men you will see that this cost of labor enters into every department of our mill, cost of plant per ton capacity, cost of cutting, logging, driving our timber, cost of mill supplies of all kinds, etc. We have been nearly twenty years building up this plant under the most adverse circumstances, and the present tariff does not represent the advantage the foreign mills have over us. If it is taken off or reduced, we believe it would mean the closing down of our plant.

We employ from 150 to 175 men, according to the season of the year, at this plant. The plant represents $755,000 invested capital, and we have quite a suburb of Northampton, Mass., dependent on us, with a fine new schoolhouse in which we are educating from 60 to 70 children, mostly of foreign parentage.

Yours, truly,

CHAS. C. SPRINGER.

INTERNATIONAL PAPER COMPANY, NEW YORK CITY, FILES SUPPLEMENTAL BRIEF RELATIVE TO WAGES AND COSTS.

NEW YORK, *December 19, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We desire to supplement the statement in regard to Schedule M, which we submitted to your committee on November 21, with additional data.

Wages.—Exhibit A, attached, is a comparison of our regular schedule of wages in force July 1, 1908, with the wages paid in the following Canadian mills:

Laurentide Paper Company (Limited), Grand Mere, Quebec.
Canada Paper Company (Limited), Windsor Mills, Quebec.
Belgo-Canadian Pulp and Paper Company, Shawinigan Falls, Quebec.
St. Raymond Paper Company (Limited), St. Raymond, Quebec.
Imperial Paper Mills of Canada (Limited), Sturgeon Falls, Ontario.
J. R. Booth, Ottawa, Ontario.

This comparison is based on a table of wages, marked "Exhibit B," which gives the wages for each position in each of the six Canadian mills given above, which are the only ones at present making news paper. This data was obtained through a labor organization whose representatives visited each mill and interviewed the various classes of employees. They are ready, if called upon, to make affidavit that the figures are correct to the best of their knowledge and belief.

A mere glance is sufficient to show a decided excess in the wages paid by this company over any of the Canadian mills. At the end of Exhibit B, however, is a statement of averages also reduced to a basis of percentages. While these averages are not mathematically strictly correct, because the wages are not weighted by the number of employees in each occupation, yet we believe that the conclusion is

sound—that the disparity between our wages and Canadian wages is understated rather than overstated—for the reason that the difference in the wages paid to low-class labor (employed by the hour) is greater than the difference in the wages paid to high-class labor (employed by the week), and the low-class labor being much the more numerous the true percentage of excess wages paid by us would be greater than that shown.

It should be further stated that in comparing our schedule with each Canadian mill only the positions or wages are taken into account in our schedule which are given in the schedule of each of the Canadian mills with which comparison is made.

It will be seen that the average wages in the International Paper Company paid to those who are employed by the week exceed the corresponding average wages at each mill by the following percentages: 48.7, 36.5, 45.0, 16.6, 17.3, 26.2; and that the average hourly wages of the International Paper Company exceed the corresponding Canadian wages in each mill by the following percentages: 74.4, 58.9, 59.5, 69.4, 55.7, 55.3.

For the sake of more readily grasping the difference as a whole, we have averaged the weekly rate for all the Canadian mills and the hourly rate as well, showing that the International Paper Company's weekly wages average 30.6 per cent more than the Canadian mills and that the International Paper Company's hourly wages average 60.5 per cent more than the Canadian mills.

Finally, we have averaged these two percentages (weighted by the number of positions) and find that the average schedule of the International Paper Company exceeds the average wages in all the Canadian mills by 57.6 per cent, which, as previously stated, is probably less than the actual true excess.

Supposing our wages, however, are only 50 per cent more than the Canadian wages, the difference in the cost of labor in a ton of paper in favor of the Canadian mill would be $2.66, as against $2.50, as stated in our memorandum submitted November 21. We believe that the actual difference is not less than $3.

Cost of wood.—As nearly as we have been able to ascertain, the Canadian mills pay as follows for rough wood per cord delivered at their mills:

Laurentide Paper Company (Limited)	$6.25 to $6.75
Canada Paper Company (Limited)	6.00
Belgo-Canadian Pulp and Paper Company	6.00
St. Raymond Paper Company (Limited)	5.50
Imperial Paper Mills of Canada (Limited)	5.50 to 6.00
J. R. Booth	6.00

This confirms our statement previously made that the Canadian mills pay on an average $6 per cord.

Freight on paper.—When under examination, the writer stated that the difference in freight rates to our market from our mills and from Canadian mills, respectively, did not amount to very much and was negligible compared with the difference in the cost of wood and labor.

The following table shows approximately the average rate paid by us during 1907 to reach the cities enumerated, also the minimum

rate from the Canadian mill to the same points, rates being per 100 pounds on carload lots:

	International Paper Co. (average).	Canadian mill.	Advantage per ton in favor of—	
			I. P. Co.	Canadian mill.
Boston	$0.14	*$0.20	$1.20	
New York	.13	.18	1.00	
Philadelphia	.15	.19½	.90	
Baltimore	.17	.19½	.50	
Pittsburg	.12½	.17	.90	
Detroit	.15½	.15½		
Cincinnati	.15½	.15½		
Chicago	.18	.18		
Indianapolis	.17	.19	.40	
St. Louis	.21	.21½	.10	
Atlanta	.40	.42½	.50	
Memphis	.32	.30½		$0.30
New Orleans	.36	.36		
Houston	.46	.46		

* For export, 15 cents.

We estimate that this gives us an advantage on all of our business of only about 75 cents per ton.

Exhibit C gives the rates from each of our principal news mills to the above-named cities. Exhibit D gives the rates from each of the Canadian mills to the same points.

PER CENT OF NEWS PAPER MADE BY INTERNATIONAL PAPER COMPANY.

Exhibit E is a list of the mills making news paper in the East and Exhibit F a list of those in the West, which show that the International Paper Company makes only about 44 per cent of the "news" made in the East and only 33 per cent of that made in the whole country.

PHYSICAL CONDITION OF ITS MILLS AT TIME OF ORGANIZATION OF INTERNATIONAL PAPER COMPANY.

In spite of general and specific refutations in the past, nevertheless representations have been made to your committee that the International Paper Company was composed at the time of its organization of a collection of inefficient and dilapidated plants. While we apprehend that your committee is more concerned with present conditions than those of ten years ago, we deny absolutely this claim and assert that the statements which have been presented in support of it are practically without exception exaggerated, distorted, and false.

At the time the International Paper Company was organized, while it did not take in all of the "news" mills, the properties it purchased represented the most efficient plants at that time in existence. When it is considered that the manufacture of news paper in the United States exceeded in quantity that manufactured in any other country in the world, and that the individual plants were

larger and many of them better than any plants in the world, and that news paper was then sold in the United States more cheaply than in any other market, it is absurd to claim that there could be a consolidation of two-thirds or three-quarters of the existing plants without such consolidation being of a high grade of efficiency as to its physical condition.

As an illustration of the falsity of the statements recently made to you, we quote the following:

An allowance of nearly $8,000,000 was made for a mill (Glens Falls), one-half of which might better be located upon Boston Common or in New York City. Five years previous the stock capital of that concern had been $300,000.

This same statement was made before the Committee on the Judiciary in its hearings on Lilley resolution, No. 243, in 1904, and a specific answer was made thereto, which is as follows:

The total capitalization of the Glens Falls Paper Mill Company issued and paid up was considerably more than $3,000,000, instead of $300,000, as stated. But the capitalization did not by any means cover the whole amount of money invested. The original Glens Falls Paper Company was organized and began business in the year 1864. It was owned and controlled by a few individuals who were directly interested in and connected with the management of the property, and who were more interested in building up a large and valuable manufacturing plant than they were in paying dividends. Consequently, they devoted the greater part of the earnings for many years to the enlargement and extension of the plant, the acquisition of woodlands, and other property necessary for their purposes. In this way, prior to the formation of the International Paper Company, the Glens Falls Company had acquired and built up a valuable and successful plant and property, a large part of which was provided for out of earnings for which no capitalization had ever been issued. This property included, among others, the following:

1. Paper mill at Glens Falls, making paper and ground wood pulp, with the use of its own very valuable developed water power on the Hudson River at that point.
2. Mills at Fort Edward, making paper, ground wood and sulphite pulp, with the use of its own very valuable water power on the Hudson River at that point.
3. Undeveloped water power on the Hudson River and other property above Glens Falls.
4. A great undeveloped water power with 250 feet head on the Saranac River at Cadyville.
5. 62,990 acres of woodland in the Adirondacks tributary to said mills, and also a large amount of woodland in Canada held under Canadian permits.
6. A fine water-power of about 100 feet head, partly developed, on the Lamoille River, in Vermont, since utilized by the erection by the International Paper Company of a pulp mill.
7. A valuable undeveloped water power with a head of over 65 feet on the Lamoille River, in Vermont.

The plants above mentioned, purchased from the Glens Falls Company, have an aggregate capacity of over 300 tons of paper per day.

For the plants and property so purchased the International Paper Company paid, in its securities, about $6,000,000, instead of $8,000,000, as stated, and we confidently believe that the properties enumerated are worth more than the amount paid for them.

STATE OF NEW YORK,
City and County of New York, ss:

Frederick H. Parks, being duly sworn, deposes and says that he is the first vice-president of the International Paper Company; that he has read the foregoing statements, and that the allegations contained in the same are true to the best of his knowledge and belief.

FREDERICK H. PARKS.

Sworn to before me this 21st day of April, 1904.
[SEAL.]

E. W. KENNEDY,
Notary Public, Kings County.

Certificate filed in New York County.

This is but a fair sample of the misrepresentations which have been made to you. Each and every one could be as readily disproved. but we regard this matter as irrelevant, and, besides, the charges are so voluminous that we doubt whether you desire to have us reply to them in detail. We respectfully refer you for additional information upon this point, or any other which has not been covered by our statements to your committee, to the hearings before the Committee on the Judiciary above referred to, and to the hearings last spring before the Select Committee of the House of Representatives on Pulp and Paper Investigation. We believe that you will find that every unfavorable allegation which has been made in regard to this company has been conclusively disproved.

Very truly, yours,

CHESTER W. LYMAN,
Assistant to President.

EXHIBIT A.

Weekly and hourly rates of wages, International Paper Company, compared with Canadian mills.

SUMMARY OF TOTALS.

Average weekly rate for Canadian mills	$19.28
Average weekly rate for International Paper Company	25.17
International Paper Company per cent more	30.6
Average hourly rate for Canadian mills	.1655
Average hourly rate for International Paper Company	.2656
International Paper Company per cent more	60.5

Nine and seven-tenths per cent of positions are weekly; 90.3 per cent are hourly.

International Paper Company more than Canadian mills for all positions, 57.6 per cent.

December 18, 1908.

EXHIBIT B.

Weekly and hourly rates of wages, International Paper Company, compared with Canadian mills.

Occupation.	Basis of rate.	International Paper Company.	Canada Paper Company.	Belgo-Canadian P. & P. Company.	Laurentide Paper Company.	St. Raymond Paper Company.	Imperial Paper Company.	J. R. Booth.
Foremen:								
Foreman grinder wood mill.	Weekly...	$48.08	$15.00	$20.00	$16.20	.....	$21.00	$24.00
Night foreman grinder wood mill.	...do.....	21.00	12.00	14.40	16.20	.....	18.00	12.00
Foreman sulphite mill.	...do.....	34.61	.....	.....	19.68	.....	67.31	30.00
Night foreman sulphite mill.	...do.....	21.96	.....	.....	.....	.....	18.00	15.00
Foreman paper mill.	...do.....	48.08	57.69	.....	.....	.....	.....	42.00
Foreman paper machines.	...do.....	33.28	.....	.....	.....	.....	36.00	30.00
Night foreman plant.	...do.....	36.00	30.00	.....	.....	.....	18.00	.....
Night foreman repairs.	...do.....	35.00	16.50	.....	.....	.....	.....	.....
Night foreman steam.	...do.....	36.00	21.00	.....	.....	.....	21.00	25.00
Night foreman yard.	...do.....	20.00	12.00	.....	19.68	.....	13.50	12.00
Do.	...do.....	15.59	.....	.....	12.96	.....	12.00	11.52

Weekly and hourly rates of wages, International Paper Company, compared with Canadian mills—Continued.

Occupation.	Basis of rate.	International Paper Company.	Canada Paper Company.	Belgo-Canadian P. & P. Company.	Laurentide Paper Company.	St. Raymond Paper Company.	Imperial Paper Company.	J. R. Booth.
Wood piling:								
Head piler	Hourly	$0.2667	$0.15	$0.15	$0.13	.....	$0.175	$0.20
Wood handler	do	.2234	.125	.13	.13	$0.125	.150	.15
Conveyor man	do	.2000	.125	.13	.13	.....	.150	.15
Conveyor boy	do	.1600	.....	.10	.10	.....	.....	.....
Scaler	do	.2444	.....	.....	.13	.....	.250	.165
River man	do	.3000	.....	.....	.13	.....	.....	.165
Engineers	do	.4626	.....	.15	.15	.....	.200	.165
Teamster	do	.1944	.125	.13	.13	.140	.....	.....
Single team	do	.3056	.125	.....	.13	.....	.175	.142
Double team	do	.4444	.125	.....	.13	.....	.175	.158
Water boy	do	.1389	.....	.10	.10	.....	.....	.....
Wood handling:								
Head wood handler	do	.3000	.150	.135	.15	.....	.175	.20
Do	do	.2234	.125	.135	.13	.125	.150	.15
Conveyer man	do	.2234	.125	.135	.14	.....	.150	.15
Scaler	do	.2200	.150	.135	.15	.....	.....	.165
River man	do	.2000	.150	.....	.15	.....	.....	.....
Slip man	do	.2234	.125	.....	.13	.....	.....	.....
Teamster	do	.1944	.125	.135	.13	.....	.....	.....
Single team	do	.3056	.125	.....	.13	.....	.175	.142
Double team	do	.4444	.125	.....	.13	.....	.175	.158
Engineer	do	.2500	.....	.150	.15	.....	.200	.165
Wood room:								
Head preparer	do	.3100	.200	.150	.20	.....	.20	.20
Wood handler	do	.2234	.125	.135	.13	.125	.15	.15
Conveyer man	do	.2234	.125	.135	.13	.125	.15	.15
Sawyer	do	.2505	.175	.135	.22	.15	.....	.165
Barker	do	.2234	.150	.135	.15	.1125	.165	.165
Splitter	do	.2234	.150	.135	.13	.....	.165	.165
Chipper	do	.2234	.150	.135	.13	.....	.162	.165
Chip bin	do	.2234	.125	.135	.....	.....	.....	.....
Knotter	do	.2234	.125	.135	.13	.....	.150	.....
Waste handler	do	.2234	.125	.135	.13	.....	.....	.150
Grinders:								
Head grinder man	do	.3165	.150	.180	.14	.1025	.167	.16
Grinder man	do	.2424	.125	.140	.13	.....	.125	.125
Block handler	do	.2234	.125	.135	.13	.....	.125	.125
Ground wood screens:								
Screen man	do	.2234	.125	.135	.13	.....	.125	.125
Silver man	do	.2234	.125	.140	.13	.....	.125	.125
Ground-wood presses:								
Head pressman	do	.2979	.150	.140	.18	.....	.146	.146
Pressman	do	.2234	.125	.115	.13	.....	.125	.125
Decker man	do	.2234	.125	.135	.14	.....	.125	.125
Acid plant:								
Sulphur burner	do	.3100	.....	.....	.15	.....	.167	.16
Acid maker	do	.3100	.....	.....	.26	.....	.208	.20
Lime slacker	do	.3100	.....	.....	.15	.....	.146	.15
Lime handler	do	.1878	.....	.....	.13	.....	.125	.15
Tower man	do	.1889	.....	.....	.....	.....	.....	.....
Digesters:								
Cook	do	.3500	.....	.....	.26	.....	.250	.25
First helper	do	.2500	.....	.....	.15	.....	.167	.17
Second helper	do	.2100	.....	.....	.13	.....	.125	.125
Blow-pit man	do	.2409	.....	.....	.14	.....	.125	.125
Sulphite screens:								
Screen man	do	.2234	.....	.....	.13	.....	.125	.125
Kollergang man	do	.2234	.....	.....	.13	.....	.125	.125
Sulphite presses:								
Head pressman	do	.3047	.....	.....	.15	.....	.188	.167
Pressman	do	.2234	.....	.....	.13	.....	.125	.125
Decker man	do	.2234	.....	.....	.....	.....	.167	.15
Beaters:								
Head beater man	do	.39	.1875	.34	a 292	.2291	.25	.25
Beater man	do	.2708	.125	.135	.15	.1458	.125	.125
Clay and size man	do	.2234	.125	.....	.13	.....	.138	.125

a Maximum rate for positions.

Weekly and hourly rates of wages, International Paper Company, compared with Canadian mills—Continued.

Occupation.	Basis of rate.	International Paper Company.	Canada Paper Company.	Belgo-Canadian P. & P. Company.	Laurentide Paper Company.	St. Raymond Paper Company.	Imperial Paper Company.	J. R. Booth.
Paper machines:								
Machine tender	Hourly	$0.50	a$0.50	$0.50	a$0.469	$0.333	$0.333	$0.333
Second hand	do	.33	a.313	a.34	a.313	.25	.25	25
Third hand	do	.25	a.188	.225	.231	.167	.167	167
Fourth hand	do	.2234	.165	.20	.188	.108	.146	138
Fifth hand	do	.2234					.125	
Broke hustler	do	.2234	.156	.105	.13	.10	.125	.125
Finishing:								
Head finisher	do	.35	.20	.225	.13	.175	.30	.233
Roll finisher	do	.2167	.15	.175	.13	.13	.165	.167
Sheet finisher	do	.25	.125		.13			.15
Counter man	do	.1833	.125		.13			.15
Counter girl	do	.1200	.10	.10				.10
Cutter man	do	.25	.125	.15	.13			.15
Cutter girl	do	.1278	.10		.13			.10
Rewinder	do	.2778	.125	.20	.15		.15	.15
Weigher	do	.2444	.15		.14		.15	.167
Marker	do	.2222		.135	.13			.167
First baler	do	.2100			.13			.15
Baler	do	.20			.13			
Caser	do	.1833			.13			
Indoor, miscellaneous:								
Head paper loader	do	.3060			.15		.175	.167
Paper loader	do	.2055	.15		.13		.175	.150
Stock handler	do	.2641	.125		.13			
Weigher	do	.2234	.15		.13		.175	.167
Carman	do	.2500			.13			
Oil keeper	do	.2167			.13		.130	
Oiler	do	.2234	.15	.15	.13		.175	.167
Cleaner	do	.2056		.13	.13			.167
Filter man	do	.2234			.13			
Night watchman	do	.1905	.175	.115	.13	.088	.154	.154
Sundry watchman	do	.2234						
Elevator man	do	.1833						.15
Felt man	do	.2222			.13			
First core cleaner	do	.2000			.13		.165	.167
Core cleaner	do	.1833	.125		.13		.150	.15
Samples	do	.2222			.13			.142
Stock saver	do	.2482						
First power house man	do	.3385			.225			.25
Second power house man	do	.2480			.225			.20
Outdoor, miscellaneous:								
Rocks	do	.2234	.126	.135	.13		.15	.15
Barn boss	do	.2083	.20		.15		.20	.20
Teamster	do	.4444	.125	.135	.13	.14		
Single team	do	.3333	.125				.175	.142
Double team	do	.4444	.125				.175	.158
First laborer	do	.2223					.15	
Laborer	do	.1833	.125				.15	.135
Gate keeper	do	.1889						
Steam plant:								
Engineer	do	.3125	.175	.15	.15	.35	.208	.167
Engine oiler	do	.27	.125		.15		.146	.139
Dynamo man	do	.34	.175		.25		.167	.208
Head fireman	do	.30	.1875	.275	.18		.188	.208
First fireman	do	.28			.15			.146
Coal fireman	do	.25	.125	.15	.15	.15	.125	.138
Wood fireman	do	.25	.125	.15	.15	.15	.125	.138
Coal handler	do	.2234	.126	.13	.13		.125	.125
Wood handler	do	.2234	.125	.13	.13		.125	.125
Ash handler	do	.2234	.125	.13	.13		.125	.125
Boiler cleaner	do	.2234		.15	.13	.15		
Repairs:								
Head machinist	do	.44	.30		.385		.45	.40
Machinist	do	.3333	.20		a.25			.25
Machinist helper	do	.25	.15		.15		.15	a.175

a Maximum rate for p sitions.

Weekly and hourly rates of wages, International Paper Company, compared with Canadian Mills—Continued.

Occupation.	Basis of rate.	International Paper Company.	Canada Paper Company.	Belgo-Canadian P. & P. Company.	Laurentide Paper Company.	St. Raymond Paper Company.	Imperial Paper Company.	J. R. Booth.
Repairs—Cont'd.								
Head millwright.	Hourly	$0.39	.....	$0.20	$0.33	.....	$0.39	$0.375
Millwright	do	.35	$0.20	.....	.20	.....	.20	.225
Millwright helper.	do	.2422	.15	.....	.15	.....	.15	.175
Carpenter	do	.3333	.20	.20	.20	$0.20	.25	.20
Head piper	do	.3611	.20	.275	.33	.....	.30	.30
Piper	do	.3056	.175	.20	a.25	.....	.175	.20
Pattern maker	do	.3056	.....	.....	.....	.....	.....	.....
Blacksmith	do	.34	.185	.....	.20	.25	.25	.25
Blacksmith helper.	do	.2222	.15	.....	.15	.....	.15	.15
Mason	do	.4444	.....	.....	.30	.....	.....	.....
Mason helper	do	.20	.....	.....	.13	.....	.....	.....
Painter	do	.28	.15	.....	.15	.....	.....	.175
Painter helper	do	.1833	.....	.....	.14	.....	.....	.15
Roll grinder	do	.3333	.....	.225	.20	.....	.30	.20
Knife grinder	do	.25	.15	.....	.15	.....	.175	.175
Saw filer	do	.25	.....	.....	.30	.....	.195	.25
Draftsman	do	.2778	.....	.....	.....	.....	.....	.....
Electrician	do	.461	.225	.30	.25	.....	.25	.30
Lead burner	do	.3333	.....	.....	.....	.....	.....	.....
Lead burner helper.	do	.1944	.....	.....	.....	.....	.....	.....
Laborer	do	.1944	.....	.....	.13	.....	.15	.....
Office:								
First clerk	Weekly	23.08	.....	16.15	21.00	19.80	18.00	30.00
Second clerk	do	15.38	.....	15.00	15.00	.....	15.00	22.50
Third clerk	do	15.00	.....	.....	.....	.....	12.00	12.00
Day timekeeper.	do	15.00	.....	16.15	12.00	.....	18.00	.....
Night timekeeper.	do	15.00	.....	.....	12.00	.....	18.00	.....
Stenographer	do	15.00	.....	13.85	9.00	.....	9.00	18.50
Storekeeper	do	15.00	.....	16.15	.....	.....	9.00	10.50
Railroad operating:								
Engineer	Hourly	.26	.....	.....	.30	.....	.....	.....
Fireman	do	.19	.....	.....	.15	.....	.....	.....
Trainman	do	.19	.....	.....	.15	.....	.....	.....
First trackman	do	.21	.....	.....	.13	.....	.....	.....
Trackman	do	.175	.....	.....	.13	.....	.....	.....
Screen plates:								
Head plate cutter.	do	.3056	.....	.....	.30	.....	.....	.225
Plate cutter	do	.222	.....	.....	.15	.....	.....	.165
Piers and booms:								
Head river man	do	.3055	.....	.....	.18	.....	.....	.20
River man	do	.22	.....	.....	.13	.....	.....	.165
Core machine:								
First core maker.	do	.20	.....	.15	.15	.....	.175	.175
Core maker	do	.1833	.....	.....	.13	.....	.150	.150
Average weekly rate.	.....	.....	23.46	15.96	15.36	19.80	20.24	20.50
International Paper Co., average for comparison.	.....	.....	34.88	21.79	22.27	23.08	23.74	26.86
International Paper Co. (more), per cent.	.....	.....	48.7	36.5	45.0	16.6	17.3	26.2
Average hourly rate.	.....	.....	.1531	.1642	.1629	.1648	.1742	.1715
International Paper Co., average for comparison.	.....	.....	.2670	.2609	.2698	.2791	.2712	.2063
International Paper Co. (more), per cent.	.....	.....	74.4	58.9	59.5	69.4	55.7	55.3

a Maximum rate for positions.

EXHIBIT C.

Freight rates from principal International Paper Company "news" mills to cities named.

City.	Mill No. 1, Glens Falls, N. Y.	Mill No. 2, Fort Edward, N. Y.	Mill No. 3, Corinth, N. Y.	Mill No. 4, Chisholm, Me.	Mill No. 5, Berlin, N. H.	Mill No. 6, Niagara Falls, N. Y.	Mill No. 9, Orono, Me.	Mill No. 14, Lake George, N. Y.	Mill No. 21, Watertown, N. Y.	Mill No. 24, Wilder, Vt.
Boston	15	15	15	10½	12	15	12	15	15½	12
New York	13	13	13	17	15	13	17	13	13	15
Philadelphia	15	15	15	16	17	13	16	16	17	15
Baltimore	17	17	17	18	17	13	18	17	17	17
Pittsburg	15	15	15	19	17	10	20	17	15	17
Detroit	15	15	15	16	16	10	18	15	15	16
Cincinnati	16	16	16	15½	15½	13	18	16	16	18
Chicago	18	18	18	18	18	18	18	18	18	18
Indianapolis	17	17	17	19	19	14	20	17	17	19
St. Louis	21	21	21	21	21	21	21	21	21	21
Atlanta	40	40	40	45½	42	40	46½	45	40	40
Memphis	32	32	32	32½	35	32	34	37	32	32
New Orleans	26	26	26	37½	35	31	39	26	25	25
Houston	46	46	46	46	46	46	46	46	46	46

EXHIBIT D.

Freight rates from Canadian "news" mills to cities named.

	Laurentide Paper Co. (Ltd.).	Canada Paper Co. (Ltd.).	Belgo-Canadian Pulp and Paper Co.	St. Raymond Paper Co. (Ltd.).	Imperial Paper Mills (Ltd.).	J. R. Booth
Boston	a 20	23	a 20	23½	20	a 20
New York	b 18	22	b 18	21½	21	a 18
Philadelphia	22	20½	22	20½	24	19½
Baltimore	22	20½	22	20½	.....	19½
Pittsburg	17	23	17	21½	27	17
Detroit	16	15½	16	20½	16	16
Cincinnati	15½	15½	15½	20	16½	15½
Chicago	18	18	18	22½	19	18
Indianapolis	19	19	19	23½	26	19
St. Louis	21½	21	21½	26	22½	21½
Atlanta	42½	.....	42½	.....	.....	42½
Memphis	35	32	35	.....	36½	30½
New Orleans	44½	44	42½	.....	44½	36
Houston	63	.....	63	.....	67	46

a Export, 15.

b Export, 17½.

EXHIBIT E.

Annual product eastern "news" manufacturers.

		Tons.
1.	Great Northern Paper Co	136,032
2.	Berlin Mills Co	62,400
3.	St. Regis Paper Co	39,000
4.	Remington Martin Paper Co	19,656
5.	Raymondville Paper Co	17,160
6.	Finch Pruyn Co	14,040
7.	W. H. Parsons & Co	43,680
8.	Dalton Paper Mills	9,984
9.	Gould Paper Co	15,600
10.	West End Paper Co	7,800
11.	Norwood Paper Co	6,240
12.	Cliff Paper Co	9,360
13.	Pettebone Cataract Paper Co	9,360
14.	Schroon River Pulp and Paper Co	6,240
15.	Taggarts Paper Co	8,580
16.	Aldrich Paper Co	7,800
17.	Malone Paper Co	6,240
18.	Champion Paper Co	7,800
19.	Oswego Falls Paper Co	7,800
20.	Iroquois Paper Co	6,000
21.	High Falls Paper Co	7,500
22.	St. Croix Paper Co	40,080
23.	Brownville Paper Co	3,400
24.	H. S. Garrett & Son	5,580
25.	St. George Paper Co	8,680
		506,012
26.	International Paper Co	404,550
		910,562

EXHIBIT F.

Annual product, western "news" manufacturers.

		Tons.
1.	Kimberley Clark Company	20,200
2.	Combined Locks Paper Company	21,840
3.	John Edwards Manufacturing Company	12,400
4.	Nekoosa Edwards Paper Company	15,600
5.	Centralia Pulp and Paper Company	7,800
6.	Grand Rapids Pulp and Paper Company	9,360
7.	Wisconsin River Paper and Pulp Company	12,480
8.	Tomahawk Pulp and Paper Company	3,740
9.	Dells Paper and Pulp Company	6,240
10.	Hennepin Paper Company	4,680
11.	Itasca Paper Company	6,240
12.	Northwest Paper Company	7,800
13.	Rhinelander Paper Company	18,720
14.	Menasha Paper Company	7,800
15.	Flambeau Paper Company	3,120
16.	W. D. Boyce Paper Company	7,800
17.	Cheboygan Paper Company	18,720
18.	Willamette Pulp and Paper Company	49,920
19.	The Star Paper Mill Company	15,600
20.	Outagamie Paper Company	5,300
21.	Marinette and Menominee Paper Company	8,730
22.	Alexandria Paper Company	9,360
23.	Floriston Pulp and Paper Company	6,240
24.	Patten Paper Company	3,120
25.	Watab Paper and Pulp Company	12,480
		295,290

JOHN NORRIS, REPRESENTING AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION, FILES LETTER OF PUBLISHER OF KANSAS CITY (MO.) STAR.

904 PULITZER BUILDING,
New York, January 5, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: In the matter of pulp and paper schedule, may I submit to you the inclosed letter from W. R. Nelson, publisher of the Kansas City Star and proprietor of the Star Paper Mill, Kansas City?

Yours, truly,

JOHN NORRIS,
Chairman of Committee on Paper,
American Newspaper Publishers' Association.

KANSAS CITY, MO., *December 29, 1908.*

Mr. JOHN NORRIS,
904 Pulitzer Building, New York City.

DEAR MR. NORRIS: The paper makers and allied interests have always been exceedingly busy with the Star's paper mill. They have called it "Nelson's white elephant," and they have had me bankrupt several times since the mill has been in operation, but they never have been quite as explicit as in the answer submitted by them to the Ways and Means Committee. The statement, "Mr. Nelson has no hesitancy in stating that his losses amount to over $600,000," has never been uttered by me. It is a deliberate falsehood.

When, in August, 1902, I decided to manufacture my own paper the white paper situation was insufferable. It was impossible for a western publisher to obtain paper except through the General Paper Company of Chicago.

On January 18, 1902, the Star closed a contract with that concern to supply us with 500 tons per month at $2.10 f. o. b. Kansas City. During the life of this contract the growth of the Star made it necessary to increase the shipments to 700 tons a month, and, although there had been a reduction of 10 cents per cwt. in the freight rates, the best price I could secure for the additional 200 tons was $2.37½. There was no apparent reason for this advance. I realized the importance to the Star to control its paper supply. I built the paper mill in Kansas City. It began operations in July, 1903. I have had no reason to regret my action. There probably has been a time when I could have purchased paper for less than it costs me to manufacture it in Kansas City, but I maintain that my average cost price since July, 1903, has been below the Kansas City quotation of the paper makers. In addition to this I have been absolutely independent of the paper trust.

It was the Star's paper mill that put a stop to the soaring price of paper in 1902 and 1903. I have always felt that in assuring my own supply of paper I rendered a distinct and valuable service to my fellow publishers. I have enjoyed the paper mill every minute since it has been built, so the paper makers need give themselves no

uneasiness on my account. If their predictions come true I can see still greater comfort in store for me in the future.

In conclusion I want to say that The Star Paper Mill is in splendid physical condition; it has paid interest and all maintenance charges. It makes 50 tons a day. Twice—when we were threatened with a strike two years ago, and again in October this year, when advertising and circulation increases forced us to look for an extra supply—we purchased white paper, and in each instance had to pay a price far in excess of our cost price. You are at liberty to use this information in any way you like.

Yours, truly, W. R. NELSON.

ONION SKIN PAPERS.

[Paragraphs 396, 397, and 401.]

STATEMENT MADE BY A. W. ESLEECK, REPRESENTING THE ESLEECK MANUFACTURING COMPANY.

SATURDAY, *November 21, 1908.*

Mr. ESLEECK. I will not burden you with any further statistics, Mr. Chairman, but simply present a few facts in relation to the classification of certain papers that now come in under the schedule of printing papers.

Mr. DALZELL. What paragraph?

Mr. ESLEECK. Among them are what are termed "onion skin or typewriter papers, japan paper, drawing paper, blueprint paper." All of these have been entered as printing paper at a low classification.

Mr. DALZELL. What paragraph of the bill are they in?

Mr. ESLEECK. Paragraphs 401, 396, and 397. We established our factory about eight years ago with reference to making light-weight papers. At that time there were few, if any, imported into this country. Since that time the foreign light-weight papers are imported in large quantities, and sold by almost every jobbing house in the United States. These papers are imported as onion skins, advertised as onion skin and typewriting papers, used as such, and come in direct competition with the American product. The price at which they are imported is very low, the price at the port of entry being about 5 or 6 cents a pound, and they are sold in this country at 8 cents. Now, the cheapest paper we can make of that character is from 13 cents to 35 cents, and yet the price of these foreign papers is so low that the trade use them simply because the price is low, and use them in place of the domestic article. They say the papers are not as good, and they are not, but they say they answer the purpose for which they use them, which is manifold purposes. The same is true of blueprint papers. They come in also as printing papers, and without taking up any extra time I would like to read just one or two notations I made here, and leave the brief with the clerk of the committee.

Paper designated in the trade as onion skin, glazed or unglazed, white or colored, manifold or typewriter, weighing not more than 8 pounds to the ream of folio 17 by 22 inches, 6 cents per pound and 15 per cent ad valorem; if weighing over 8 pounds and not over 10

pounds to the ream of 17 by 22 inches, 5 cents per pound and 15 per cent ad valorem. This would give this class of paper the same protection as is given to copying paper. But these papers are used for the same purposes as copying paper; they are used for manifolding purposes. With this classification and rate of duty the German article could then be sold in this market for several cents per pound less than the cheapest of the domestic papers.

There are other grades of writing papers manufactured in this country that are seriously affected by the present classification, notably blueprint papers, hand-made papers—whether genuine or imitation, cover papers, Japan papers—genuine and imitation, these papers have been entered as printing paper at a duty of eight-tenths of a cent per pound. We are not asking any increase in these papers, but we do ask that these papers be properly classified, and we do believe that all these papers I have referred to—onionskins, manifold, Japan paper, and blueprint paper—should come under paragraph 401, which refers to writing paper.

Mr. UNDERWOOD. What is the volume of those papers consumed in this country?

Mr. ESLEECK. You mean the light-weight papers?

Mr. UNDERWOOD. The papers you are referring to.

Mr. ESLEECK. Of the light-weight papers which I am personally most interested in I should say, without having exact data, that there was probably a thousand tons imported.

Mr. UNDERWOOD. Then how much is consumed in the United States?

Mr. ESLEECK. That is a hard question. It is a growing trade.

Mr. UNDERWOOD. You have no comparison of the importations with the consumption in the country?

Mr. ESLEECK. I should say that the importation was probably one-third of the consumption on the manifold papers; the onion skins and the typewriter manifold papers, I should say that the importation was probably one-third.

Mr. UNDERWOOD. Two-thirds produced in the United States?

Mr. ESLEECK. Yes, sir; I should say about that.

Mr. UNDERWOOD. That is under one-eighth of a cent duty now?

Mr. ESLEECK. Eighth-tenths of 1 per cent.

Mr. UNDERWOOD. If we put on the duty that you ask, what effect would that have on the importations?

Mr. ESLEECK. The imported article could be sold for about 3 cents a pound less than the cheapest paper we make in this country.

Mr. UNDERWOOD. You think the importation would be as large as it is at present?

Mr. ESLEECK. I do not know that it would affect it very much, but it would bring the two papers, domestic and foreign, nearer together, so that there would not be that inducement for the people to buy the cheaper article. Now it is so cheap that they use the imported.

Mr. UNDERWOOD. Would not the effect of that duty be to cut off importations entirely?

Mr. ESLEECK. No, sir; they could import it and sell it 3 cents a pound cheaper than our cheapest paper. Domestic prices run from 13¾ up to 25 cents, and even higher than that.

BRIEF SUBMITTED BY A. W. ESLEECK, REPRESENTING THE WRITING-PAPER BRANCH OF PAPER INDUSTRY.

WASHINGTON, D. C., *November 21, 1908.*

HON. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: We appreciate the courtesy extended to us by your honorable committee in giving us the opportunity to present some facts that have a most important bearing upon that branch of the paper industry with which we are connected and which vitally affects its interest.

First. The importation of German light-weight papers. These are manufactured on a basis of from 7½ pounds to 9 pounds to the ream of 480 or 500 sheets, 17 by 22 inches, and sold in this country as onionskins and manifold typewriter.

These papers are imported by the Germania Importing Company, of New York; O. M. Steinman, of New York; and also by several of the large jobbing houses in this country. These papers are advertised as onionskin and typewriter papers, sold as such, and as such they are universally used; and while the quality is much inferior to the domestic product, and the price at which it is sold is so attractive to the average buyer (being approximately 8 cents per pound) that it is rapidly crowding out the American product. (See exhibit A attached, which are the foreign papers; Exhibit B are of domestic manufacture.)

These papers are not covered either by section 397 or 401 of the present tariff, but have, we understand, been entered under section 396 as printing paper at a valuation carrying eight-tenths of a cent per pound. The injustice of this classification is so manifest, and its effect on American manufacturers of paper used for identically the same purpose so disastrous, we feel that it is only necessary to place these facts before your honorable committee to have them receive your most favorable consideration.

Section 397 places a duty on copying and tissue papers weighing not over 6 pounds to the ream of 20 by 30 inches of 6 cents per pound and 15 per cent ad valorem; if weighing over 6 pounds and not over 10 pounds to the ream, 5 cents per pound and 15 per cent ad valorem.

The quantity of paper used in duplicate work, i. e., carbon copies, is vastly in excess of that used in the manufacture of copy books, and inasmuch as the foreign importations of onionskin and typewriter manifold seems to be unclassified under the present tariff that was framed prior to the advent of this class of paper into this country, we beg to suggest to your honorable committee for your favorable consideration the following classification: Paper designated in the trade as onionskin, glazed or unglazed, white or colored, manifold or typewriter, weighing not more than 8 pounds to the ream of folio, 17 by 22 inches, 6 cents per pound and 15 per cent ad valorem; if weighing over 8 pounds and not over 10 pounds to the ream of 17 by 22 inches, 5 cents per pound and 15 per cent ad valorem. This would give this class of paper the same protection as is given to copying paper. With this classification and rate of duty the German article could then be sold in this market for several cents per pound less than the cheapest of the domestic papers.

There are other grades of writing papers manufactured in this country that are seriously affected by the present classification, notably blueprint papers, hand-made papers—whether genuine and imitation—cover papers, Japan papers—genuine and imitation—these papers have been entered as printing paper at a duty of eight-tenths of a cent per pound. The term "hand made" should be more clearly defined, because genuine hand made has sometimes been assessed as printing paper. Imitation hand-made papers have been made in this country, but the manufacture had to be practically abandoned on account of the low price of the imported paper. If properly protected, they could be profitably made in this country. (See Exhibit G.)

Japan paper, genuine and imitation: These papers are a strong, hard, sized paper, of the nature of a bond paper. They are being imported into the country in large quantities as French Japan, the imitation paper being assessed under paragraph No. 396 as printing paper. They should be especially mentioned. These papers are being made in this country. (See Exhibit F.)

Blueprint paper: Paragraph No. 398 should be so amended as to distinctly cover blueprint papers, and we would suggest that the clause in the article relating to plain basic photograph papers be amended to read as follows: "Plain basic photographic and blueprint papers for albumenizing, sensitizing, or baryta coating, 3 cents per pound and 10 per cent ad valorem; albumenized or sensitized paper, or paper otherwise surface-coated for photographic or blueprint purposes, 30 per centum ad valorem."

Papers for blueprinting purposes are essentially photograph papers, made in the same manner, and are coated and developed precisely as are ordinary photographic papers. They are very hard, sized, and vary in value from 7 cents to 27 cents per pound. (Exhibit D.)

It evidently was the intent of the framers of the tariff of 1897 that blueprint papers should be classed as plain photographic papers, and they were assessed as such for about four years. The United States General Appraisers at New York, under date of November 21, 1901, declared that "paper used for making blueprint paper is not dutiable as plain basic photographic paper under paragraph 398, act of July 24, 1897. Such papers are of the class suitable for printing of books, and are dutiable under paragraph 396, if valued above 5 cents per pound, at the rate of 15 per cent ad valorem." (Treasury Decisions, vol. 4, No. 48, November 28, 1901; 23378 G. A., 5031.) This decision is so obviously wrong as to scarcely need discussion. Papers suitable for printing books are either not at all sized, or sized very lightly, in order that the ink may dry quickly. They are of very short fiber, easily torn, and soft. In every particular blueprint papers are the opposite of this. They are hard, exceedingly well sized, smooth, high finish, and very strong. They are made from an entirely different class of stock, and are more expensive to make than printing papers, and are entirely different in every particular. (Samples herewith, Exhibit E.)

It is a significant fact that of the 13,362 tons of "printing paper" imported from Canada in the year 1907 only 2 tons are valued at 4 to 5 cents, and of the 1,515 tons of "printing paper" imported from Europe in the same period 1,330 tons are valued at 5 cents and over, which indicates that the great bulk of the so-called "printing paper" coming from Europe is not printing paper at all, but high-grade

papers, very probably for blueprinting and other purposes than printing paper.

The nature of photographic papers and blueprint papers being essentially the same, it is very possible that papers intended for regular photographic purposes are being imported as "blueprint papers" and escaping the duty. There is no way to prove this, but no inspector could tell whether certain roll was plain blueprint or photograph paper, as the chemical constituents are practically the same.

These special papers, with the exception of blueprint papers, could be classified under section 401, and would then read as follows:

"Writing, letter, note, hand-made, whether genuine or imitation, sized or unsized, if deckled on two or more sides, drawing, ledger, bond, record, tablet, typewriter paper, onionskin, and manifolding papers, cover papers, Japan paper, genuine or imitation, weighing not more than 8 pounds to the ream of 500 sheets of 17x22 inches, 6 cents per pound and 15 per cent ad valorem; if weighing over 8 pounds to the ream and not over 10 pounds to the ream, 5 cents per pound and 15 per cent ad valorem; if weighing not less than 10 pounds and not more than 15 pounds to the ream, 2 cents per pound and 15 per cent ad valorem; weighing more than 15 pounds to the ream, 3½ cents per pound and 15 per cent ad valorem."

Also amending the last clause of the section, after the word "provided" to read as follows: "That in computing the duty on such papers every 187,000 square inches shall be taken to be a ream," as in writing papers, folio, or 17x22 inches, is generally taken as a basis for weight.

We would respectfully call your committee's attention to the matter of cardboard and bristol board, pasted and unpasted. These papers are manufactured in large quantities in this country, and we think should be classified in a manner to prevent any misunderstanding or undervaluation. Would recommend a special clause, No. 408, carrying 35 per cent ad valorem.

Respectfully submitted.

ESLEECK MANUFACTURING COMPANY,
By A. W. ESLEECK,
Representing the writing-paper branch of the paper industry.

STATEMENT OF R. S. ELLIOTT, OF PHILADELPHIA, PA., RELATIVE TO THE DUTIES ON ONIONSKIN PAPERS.

SATURDAY, *November 21, 1908.*

The onionskin paper that the gentleman has just spoken about that is brought from the other side is made out of wood. It is an entirely different paper in the make-up from the papers made in this country. If you put a duty on that paper made on the other side, the sale of it will absolutely cease in this country, because the wearing qualities of that paper are not as good as the wearing qualities of these papers made in this country, which are made out of rags. The paper made in Germany and Austria is made out of wood, so that the importation of that paper has decreased instead of increasing, for this reason. About six or seven years ago those papers were brought in in large quantities for tablet manufacturers, which they sold to people in the West and in the South for foreign correspondents. That

trade has practically been eliminated, for they are to-day using the American papers in place of these onionskin papers. Now, these onion papers are used for special work here in this country, and the trade has grown and been built up simply on account of the price of the stuff.

Mr. UNDERWOOD. What class of work are they used on?

Mr. ELLIOTT. I sell it for railroad manifold work and work of that character, and it is sold by jobbers all over the country in small quantities. Cleveland is a very large center for the use of that paper. To-day factories have a great many branches all over the country. One big concern where they use this paper sends ten or fifteen or twenty orders through the mail; they use this light-weight paper.

Mr. UNDERWOOD. What is the volume of the business in these grades that the gentleman just preceding you spoke about in this country. Do you know what is the average of business, the volume of consumption?

Mr. ELLIOTT. It is hard to give you those figures right offhand.

Mr. UNDERWOOD. Do you know what the importations are in comparison with the volume of consumption?

Mr. ELLIOTT. No; I could not give you that. I can say this, that there are but four importers in this country that make a specialty of that business. The business has changed materially in the last six or seven years. The large importations were seven years ago, when it was used as tablet paper. That has entirely died out.

Mr. UNDERWOOD. Do you think if we put the duty on this paper that was asked for by the gentleman who preceded you, that would amount to a prohibitive tariff?

Mr. ELLIOTT. It would in this way, that the paper that is made in Europe is made out of wood, and the wearing qualities are such that if the American had to pay the same price for that German paper as he did for the American, he would use the American paper, because it will wear twice as long. It is made out of rags.

Mr. UNDERWOOD. In other words, your idea is that we would not give the consumer the right of choice as to which paper he preferred, but we would prohibit the other paper entirely?

Mr. ELLIOTT. Yes, sir.

Mr. DALZELL. You are talking about onionskin paper.

Mr. ELLIOTT. Yes, sir.

Mr. DALZELL. There is no such paper designated in the tariff law now.

Mr. ELLIOTT. No, sir; this paper was really erroneously called onionskin paper by the importer.

Mr. DALZELL. But how does it come in now?

Mr. ELLIOTT. It comes in under 25 per cent paper, not otherwise provided for.

Mr. ESLEECK. It would come in under eight-tenths of 1 per cent.

Mr. ELLIOTT. Twenty-five per cent is the rate of duty.

Mr. ESLEECK. The duty is eight-tenths of 1 per cent.

Mr. DALZELL. Under what clause?

Mr. ESLEECK. Under section 398.

Mr. ELLIOTT. Onionskins do not come in under onionskin paper. There was a case here on that, three years ago. I have imported car loads of it, and paid 25 per cent duty, for the last ten years.

Mr. GAINES. Is it used the same as onionskin paper is used, as typewriter paper?

Mr. ELLIOTT. It is not used as typewriter paper, because it is made out of wood, and it does not have the qualities that American paper has. It does not come in competition with typewriter papers.

Mr. GRIGGS. What do you want us to keep it out for, if it does not come in competition?

Mr. ELLIOTT. It does not come in competition with regular typewriter papers. I do not want to keep it out.

Mr. GRIGGS. You want to let it in?

Mr. ELLIOTT. I want you to let the duty stay just where it is, at 25 per cent. I do not want to change the classification.

THE B. D. RISING PAPER COMPANY, HOUSATONIC, MASS., WISHES BLUEPRINT PAPER SPECIFICALLY ENUMERATED.

HOUSATONIC, MASS., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully request that paragraph No. 398 be amended by specifically naming blueprint paper, so that it shall read as follows:

398. Surface-coated papers not specially provided for in this act, two and one-half cents per pound and fifteen per cent ad valorem, if printed, or wholly or partly covered with metal, or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; parchment papers, two cents per pound and ten per centum ad valorem; plain basic photographic and blueprint papers, for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or paper otherwise surface coated, for photographic or blueprint purposes, thirty per centum ad valorem.

The argument for this change in classification has been fully set forth by Mr. A. W. Esleeck in his brief filed November 21, 1908. They are now improperly assessed under paragraph 396 as "paper suitable for books and newspapers."

There is a great difference in the quality of the two classes of paper. Book paper is soft, either unsized or sized very slightly, has a short fiber, is made from cheap stock, and frequently contains a large proportion of wood fiber.

On the other hand, blueprint paper is strong, hard, thoroughly well sized, and made from new cotton cuttings.

Blueprint papers are really photographic papers, as they have the same chemical properties and are sensitized and developed in the same manner as regular photographic papers. They were assessed duty as "plain basic photographic paper" for about four years, and until by a decision of the General Board of Appraisers, they were adjudged to be book papers. (See Treasury Decisions, vol. 4, No. 48, Nov. 28, 1901, 23378; G. A. 5031.)

Very little blueprint paper was made in this country until after the enactment of the tariff of 1897. Since then it has been demonstrated that the paper can be successfully produced here. The principal competition is from Germany, and the ability of the importer to bring in these high-grade papers as "book paper valued at 5 cents per pound" enables him to sell at very low prices in this country. We

refer to Exhibit A, "Samples of foreign blueprint paper," and Exhibit B, "Samples of book and news paper."

Respectfully submitted.

B. D. RISING PAPER COMPANY,
By CHAS. MCKERNON, *Treasurer.*

TISSUE PAPERS.

[Paragraph 397.]

WILKINSON BROS., NEW YORK CITY, SUGGEST NEW CLASSIFICATION FOR SILVER TISSUE PAPER.

NEW YORK CITY, *November 20, 1908.*

Chairman SERENO PAYNE,
Committee on Ways and Means, Washington, D. C.

DEAR SIR: Referring to the data you are getting preparatory to submitting to Congress a recommendation for revision of the tariff, we would like to present some facts in regard to light-weight papers, particularly 20 by 30 silver tissue.

The English paper at the present time costs about $1.30 per ream landed in this country. If the tariff was the same as it is on other papers—that is, 25 per cent—the cost would be about $1.05 delivered on sidewalk in this country. American silver tissue is being sold by the manufacturers, and has been sold by them for the past five or six years, at prices varying from 62½ up to 95 cents per ream, and once in a while when the manufacturers have been in a combination and have pooled their price, it has been as high as $1. Under the circumstances, would it not be wise to reduce the present tariff. which is 15 per cent and 6 cents per pound, down to a straight 25 per cent duty, and this duty of 25 per cent to apply on all papers, basis 20 by 30, 10 pounds and lighter, 25 per cent being the duty on ordinary paper.

Yours, truly, WILKINSON BROS. & CO. (INC.).

STATEMENT OF BERNHARDT LEVI, OF NEW YORK CITY, WHO WISHES A NEW CLASSIFICATION.

SATURDAY, *November 21, 1908.*

Mr. LEVI. My name, gentlemen, is Bernhardt Levi, of 318 Forty-eighth street, New York City. I am here to discuss the matter of tissue papers in the form in which I handle them.

Mr. BONYNGE. Under what paragraph in the bill does that appear?

Mr. LEVI. Paragraph 397, section M, is where tissue papers are mentioned; but we are applying for a tariff on such articles as are not provided for, asking for a specific or increased duty.

We have practically no duty on some of our goods at all. These are manufactured articles that are not provided for. We want these articles classified under decorative articles and novelties.

Mr. DALZELL. You want the duty changed?

Mr. LEVI. Yes, sir. It is 35 per cent now (paragraph 407) on the manufactured article, but not on the paper or the raw material in the manufactured article.

Mr. DALZELL. What do you want?

Mr. LEVI. I would like 6 cents per pound specific and 25 per cent ad valorem.

Mr. UNDERWOOD. What would that make it ad valorem?

Mr. LEVI. That would make the rate about 50 to 60 per cent ad valorem. At present there is no duty on the paper at all when it is used in the manufacture of our articles. There is a duty or a protection of about 100 per cent on the raw material or the paper out of which we make the articles, but on the paper when it is used in the manufactured articles there is none whatever.

Mr. GRIGGS. Under what paragraph did you say this is mentioned?

Mr. LEVI. 407. Our paper is not provided for. There is no duty on the paper which comes over here in the manufactured article.

Mr. GRIGGS. Do you want to raise the duty?

Mr. LEVI. Put a specific duty on it and lower the ad valorem duty, for the specific duty will partly protect us, because it will give us the same rate the manufactured paper has. If the 35 per cent ad valorem is on the labor in the manufactured articles, then there is no duty on the raw material when in the finished article; you have, then, no protection on the paper; also vice versa. It affects us in that way. We have the best machinery which is used in Germany, and the balance we have manufactured here. We have the same way of manufacturing that they have over there. That is all I desire to say at this time.

The CHAIRMAN. Do you desire to file a brief?

Mr. LEVI. Yes, sir.

The CHAIRMAN. Very well, file it with the clerk.

Mr. CLARK. Do you belong to the American paper trust?

Mr. LEVI. No, sir.

Mr. CLARK. Is there an institution or organization known as the Tissue Paper Association?

Mr. LEVI. Possibly. I do not buy from them.

Mr. CLARK. Are you not a part of that?

Mr. LEVI. No, sir.

Mr. CLARK. Do they not issue price sheets and fix the prices and raise prices whenever they get ready?

Mr. LEVI. I do not know. I have never seen any sheets.

Mr. CLARK. You never did?

Mr. LEVI. No, sir; I have never seen any. The makers of the papers come to me and offer their papers according to the colors and the quality and thickness.

Mr. CLARK. Do you buy from them?

Mr. LEVI. I buy from the manufacturer or maker of paper. All of my goods are American goods.

Mr. CLARK. Are you acquainted with Mr. Herman Ridder?

Mr. LEVI. I know he is a newspaper owner.

Mr. CLARK. He has been agitating this identical question and put your company in as one of this trust.

Mr. LEVI. I never heard of it. He knows more about it than I do.

Mr. CLARK. I am telling you merely what Ridder did to you.

The CHAIRMAN. If you called Ridder to-day, he might change his attitude.

Mr. LEVI. I never knew I was so well known. I have never met him since 1870.

Mr. CLARK. You are sure you are not a part of a great paper trust, are you?

Mr. LEVI. I wish I were. I am not in any trust.

The CHAIRMAN. Did you ever hear of a tissue-paper trust?

Mr. LEVI. No, sir; I never heard of it. I buy direct from the manufacturer, and the prices are about equal.

The CHAIRMAN. Did you ever hear of a combination of tissue-paper manufacturers?

Mr. LEVI. I never heard of it.

Mr. CLARK. Is it the Tissue-Paper Association that fixes the prices?

Mr. LEVI. I never heard of it.

Mr. CLARK. You never inquired into it when you were buying, did you?

Mr. LEVI. No, sir.

Mr. CLARK. You just simply pay what they tell you to pay?

Mr. LEVI. I buy as cheap as I possibly can and pay cash for it, but if I find a man that will give me the same goods for less money, the quality being the same, of course I buy of him, but I have never found him yet.

Mr. CLARK. That is the trouble to-day. The association fixes the prices to you, if you are not a part of them, and everybody else pays the same.

Mr. LEVI. I never heard of the Tissue-Paper Association. There are so many mills I do not believe they could get them under a trust.

Mr. BOUTELL. You find the prices about the same always?

Mr. LEVI. Pretty nearly. The qualities are different, of course. There are different kinds of machines which make paper worth more than others.

Mr. BOUTELL. I mean paper of the same grade.

Mr. LEVI. It probably costs them the same to manufacture it. I never heard of a trust of any kind except the cardboard trust, and that is going to pieces, I believe.

Mr. CALDERHEAD. Do you know Herman Ridder?

Mr. LEVI. In 1870 I believe I met him once. I am not positive. I read his paper occasionally, as I read all papers.

Mr. CALDERHEAD. Did you ever have any correspondence with him about this?

Mr. LEVI. Never. I never talked to anybody; never knew I was going to come here until last Wednesday.

FILTER PAPERS.

[Paragraph 397.]

NEW YORK, *December 3, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

SIRS: Tariff law, Schedule M, pulp, paper, and books, paragraph 397: Filtering paper 5 cents per pound and 15 per cent ad valorem.

Why this excessive rate of duty? Would not 2½ cents per pound be sufficient from either or any point of view?

We are distributers of foreign-made filter papers and have been mystified as to why this line is or should continue to be taxed with what amounts to 75 to 90 per cent duty.

Respectfully submitted.

Yours, truly,

ZINKEISEN & Co.,
M. ZINKEISEN.

LIGHT-WEIGHT PAPERS.

[Paragraphs 397, 398, 401, and 459.]

STATEMENT OF JOHN K. BUCK, OF HARTFORD, CONN., RELATIVE TO VARIOUS THIN LIGHT-WEIGHT PAPERS.

SATURDAY, *November 21, 1908.*

Mr. BUCK. I represent certain manufacturers of tissue paper and specialties in higher grades and lighter weight papers. I call attention to paragraphs 397, 398, 401, and 459. These all embrace articles in which those people whom I represent are interested and which they more or less manufacture.

With reference to paragraph 397, we all say that from our standpoint we are satisfied with the present duty.

With reference to paragraph 398, we call attention to the second clause, as follows:

If printed, or wholly or partly covered with metal, or its solutions, or with gelatin or flock, 3 cents per pound and 20 per cent ad valorem.

We desire in a degree to affect that duty by inserting at the end of the paragraph, so that if it is adopted into the new law it will be a distinct clause by itself, the following:

Metal-coated tissue paper, weighing not over 15 pounds to the ream of 500 sheets, on a basis of 20 by 24 inches, and whether in reams or any other form, 10 cents per pound and 30 per cent ad valorem.

Just to explain about that. The former metal-coated papers are manufactured in large quantities by several mills in this country, and no complaint is made by the people that I represent in regard to the rate on those. Several years after the act of 1897 went into effect there appeared on the American market this kind of paper. It was composed of a very thin tissue paper and tin foil reduced to a liquid state and then brushed onto it or coated onto it. That combination of the very thin tissue paper with the tin foil reduced to a liquid form and brushed onto it came into the market under the duty to which I have just called attention of 3 cents a pound and 20 per cent ad valorem. Now, that kind of tissue paper required the highest skilled labor and the most delicate machinery. The workmen command the highest wages that could be paid for manufacturing paper products, so that the goods of that combination came to be very high and the American manufacturers, of course, knew of its importation, but were unable to compete with the foreign manufacturer, because on account of wages they were paying and other conditions it was impossible to produce that combination paper for a less rate than 70 cents per pound.

It costs the foreign manufacturer just 57 cents to lay it down in New York. It costs the American manufacturer 70 cents to produce it, and all we ask is that you put us on an equal footing with the foreign product. We ask for a duty of 10 cents specific and 30 per cent ad valorem, which makes it cost 57.51 cents. We want to see if we can manufacture it here, and we are ready to commence the manufacture of it.

Mr. UNDERWOOD. You say it costs you 70 cents to produce it, laid down in New York?

Mr. BUCK. Yes, sir; 70 cents a pound.

Mr. UNDERWOOD. At what price can the New York importer lay it down?

Mr. BUCK. Fifty-seven cents. It costs at port of shipment 45 cents, and then they add the duty of 3 cents specific and 20 per cent ad valorem under the old clause. This is a new thing which has just come into vogue, and we are unable to compete with it. This paper with which we are to compete has heretofore been exempt.

Mr. UNDERWOOD. The importer lays it down in the port of New York at a little over 65 cents, and the ad valorem rate of 30 per cent is added.

Mr. BUCK. It costs the foreign manufacturer at the port of shipment 45 cents, to which must be added the specific duty of 3 cents and an ad valorem of 30 per cent a pound, making 57 cents.

Mr. UNDERWOOD. You claim that that is the cost to the importer with the duty added?

Mr. BUCK. With the duty paid. The whole cost, duty paid, is 57 cents. All that we ask is to be put on a level with the foreign product.

Mr. UNDERWOOD. What is the volume of this business in the United States?

The CHAIRMAN. I think we had better let Mr. Buck finish the reading of his brief.

Mr. BUCK. I will complete my argument.

(Mr. Buck's brief is as follows:)

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.:

GENTLEMEN: The undersigned are manufacturers of tissue paper and specialties in high-grade and light-weight papers. They desire to make suggestions in regard to said four paragraphs.

Paragraph 397. We suggest no change in this paragraph, as the manufacturers have adapted themselves to its provisions, and under present conditions of the market it seems to be equitable in its operation.

Paragraph 398. We suggest an amendment to this paragraph by adding at the end thereof the following:

Metal-coated tissue paper weighing not over fifteen pounds to the ream of five hundred sheets on a basis of twenty by twenty-four inches and whether in reams or any other form, ten cents per pound and thirty per centum ad valorem.

The reason for this amendment is that since 1897 (when the present tariff was passed) a new demand has arisen for a very light-

weight tissue paper, coated with a solution of tin on one side and of such fine quality and so skillfully made that no pin holes appear in the paper before coating, so that the tin side is used for conducting electric current and the plain or paper side used for insulation. Therefore it can be easily understood that the highest grade of skilled labor, as well as material, is imperative. A foreign-made article, now imported under the present tariff, only pays 3 cents per pound and 20 per cent ad valorem, thus making this metal-coated tissue paper cost as follows:

Value at port of shipment, 45 cents; specific duty, 3 cents per pound, 3 cents; 20 per cent ad valorem, 9 cents; total, 57 cents per pound.

Under the proposed duty this article would cost, duty paid, as follows:

Value at port of shipment, 45 cents; specific duty, 10 cents per pound, 10 cents; 30 per cent ad valorem, 13½ cents; total, 68½ cents.

This paper costs the American manufacturer to put on the market about 70 cents per pound.

(Exhibit A, hereto attached, is a sample of this metal-coated tissue paper.)

Paragraph 401. We suggest the following amendments to paragraph 401: After the words "typewriter paper" and before the word "weighing," in the second line, insert the words "cover papers." The reason for this amendment is that heretofore there has been no classification of this grade of paper, and it might come in under printing paper at the low rates, whereas it is high-grade paper and should be classed with writing and other papers mentioned in this paragraph.

Also after the word "rates" in said paragraph, and before the word "provided," insert the following:

also papers commonly known as onion-skin papers, weighing not over eight pounds to the ream, and whether in reams or any other form, six cents per pound and fifteen per centum ad valorem; if weighing over eight pounds to the ream and under ten pounds to the ream, and whether in reams or in any other form, five cents per pound and fifteen per centum ad valorem.

This is to meet the condition that has arisen since 1897, the very thin typewriter papers and onion-skin papers being in use in increasing quantities of late years in the carbon duplicate methods and new system which compel the use of very light-weight papers, which are really in a class by themselves, and should carry a much higher rate than the other papers mentioned in this paragraph, for under present conditions the foreign manufacturers are importing what is known as "glazed" and "unglazed" onion-skin papers and selling them to the paper dealers at 72 cents per ream, or at 9 cents per pound (in many cases 8 cents per pound), while this paper that is made here costs about 12 to 16 cents per pound, with the result that the American mills are fast losing the business.

Under the present conditions the foreign manufacturers import this paper and pay a very small duty—eight-tenths of 1 cent per pound.

Under the present duty this article would cost as follows:

Value per pound at port of shipment, 5 cents; specific duty, eight-tenths of a cent per pound; total, $5\frac{8}{10}$ cents.

Under the duty proposed by the amendment this paper would cost as follows:

Value per pound at port of shipment, 5 cents; specific duty, 6 cents per pound; ad valorem duty (15 per cent), three-fourths of a cent; total; 11¾ cents.

One reason why the foreign manufacturer can sell the paper so much cheaper than we is the difference in labor cost, as shown in schedule given below:

Labor table.

	Foreign per day.	American per day.
Engineers	$1.00	$2.60
Beater men	.75	2.50
Helpers	.70	1.65
Machine tenders	1.15	3.15
Back tenders	.75	1.70
Cutter men	.75	2.65
Helpers	.60	1.85
Girl finishers	.40	1.25
Millwrights	1.00	3.75

These same labor conditions apply to the metal-coated tissue mentioned in paragraph 398, also the tissue and other light-weight papers mentioned in paragraph 397, and the cigarette papers mentioned in paragraph 459, Schedule N.

As for material, we use better stock, which costs us considerably more than the material used by the foreigner in manufacturing their onionskin paper, and we claim our papers are much better.

The amendment is asked for to meet the new conditions which have arisen during the past three years relating to this paper.

(Exhibits B and C, hereto attached, are samples of the imported onionskin papers, selling at 8 and 9 cents per pound.)

(Exhibits D and E, hereto attached, are samples of the domestic onionskin papers, selling at 14 to 20 cents per pound.)

Cigarette paper now included in Schedule N, paragraph No. 459.—Pipes, smokers' articles, etc.

The manufacturers of cigarette papers do not ask that the rate of duty in this schedule be changed, and they desire to state that this is a thin tissue paper of a special manufacture, made in both sheets and reels, and manufactured by the Diamond Mills Paper Company and others, and is equal to any of the foreign manufacture. The consumption of this paper is on the increase and the foreign competition is very strong, but this paper is now made, and can be successfully made, in this country if fairly protected from the foreign article. The manufacturers have, and are, keeping up with this demand as far as they are warranted in doing. It appears that the importations under paragraph 459, which includes this paper, were valued at $954,521.98 for the year ending June 30, 1907. For the year ending June 30, 1908, the value was $966,823.29, showing an increase in the importations. This paper could all be manufactured here if the manufacturers were allowed to do so, and the present rate of duty assessed, 60 per cent, is the very lowest that will enable the manufacturers to continue the making of this paper and compete with the foreign manufacturer.

(Exhibit F hereto attached is a sample of domestic cigarette paper.)

All of which is most respectfully submitted.

THE DIAMOND MILLS PAPER COMPANY,
44 Murray street, New York City.
C. H. DEXTER & SONS,
Windsor Locks, Conn.
THE JERSEY CITY PAPER COMPANY,
Jersey City, N. J.
THE SMITT PAPER COMPANY,
Lee, Mass.
By JOHN K. BUCK,
Hartford, Conn.,
Counsel.

Mr. BUCK (continuing). There is a sample of this paper attached to the brief, and the committee can examine it.

Mr. UNDERWOOD. What is the volume of this business in this country—the manufacture of the paper to which you have referred?

Mr. BUCK. I am unable to answer that question. The only returns are general returns and include all others in that class of extra thin metal-coated papers, and the manufacture of which is increasing to a considerable quantity.

Mr. UNDERWOOD. You do not know the quantity of this paper that is manufactured—that is, the quantity on which you want the duty changed?

Mr. BUCK. I do not.

Mr. UNDERWOOD. Do you know how much business is being done in that paper by American manufacturers?

Mr. BUCK. I do not know, because it is only an experiment. The experiment has proceeded so far that we are able to say that we can produce it.

Mr. UNDERWOOD. You do not know how much of the American market the American manufacturers can supply?

Mr. BUCK. No, sir; I do not.

Mr. UNDERWOOD. Then you are not giving us any information on which we can come to a conclusion.

Mr. BUCK. I am unable to give you any information as to the volume of the business because the Treasury Department would not furnish it. I wrote to the Bureau of Statistics and also to the Department of Commerce and Labor, but I am unable to get the volume of business in that article.

Mr. DALZELL. This is contemplated to be a new industry?

Mr. BUCK. A new industry entirely. It has only appeared within the past three years. It is classed with this metal-coated paper and the Treasury Department referred to it in that way. I think that Mr. Austin, of the Bureau of Statistics, can find out.

In reference to the typewriter paper, I can say that the American manufacturers now make it at a cost of from 12 cents to 16 cents a pound produced in the United States. That is made in the Dexter Mills and the Diamond Mills and others. It is being produced, but they are closing their business under the present tariff. I have in my brief a table of the cost of labor.

Mr. NEEDHAM. In your paper you do not include the freight charges?

Mr. BUCK. I have left out the freight charges because they are exceedingly slight and amount to nothing. In the metal-coated paper I put it in. If I can get those rates, I will put them in, and also the volume of business done.

In regard to cigarette papers, it really does not belong in this schedule. It is made by the Diamond Mills. It has a duty of 60 cents, and notwithstanding that duty the importations are increasing every year under that duty. The schedule reads as though it was a little high.

I might say further that in all of these four descriptions of paper we ask for no increase of duty whatever, and in all of the tissue papers and the metal-coated papers which we are now manufacturing we are conducting the business and competing with the foreign manufacturers. We ask no odds further than the present rate. As to these new suggestions, all we are asking is for a duty that will protect us against the foreign product, which is distinctive in character. All we ask is to enable us to conduct the business. If you will do that, we are able to go into the market and take our chances.

Mr. UNDERWOOD. How many people are there in this country who are engaged in the manufacture of this tissue paper?

Mr. BUCK. That I can not say; there are a vast number of them. These are mills in Connecticut and New Jersey. The Diamond Mills have five mills engaged in this work. I do not know the capacity of the other mills.

Mr. UNDERWOOD. Is there any association or combination between the mills for the purpose of fixing prices on tissue paper?

Mr. BUCK. No, sir; there never was and never will be.

Mr. UNDERWOOD. Then there is free and open competition in the market on tissue paper?

Mr. BUCK. Yes, sir; I speak for the Diamond and Dexter mills, and for nobody else. We are not in any combine. We are independent manufacturers and not importers. Some years ago one man exported 20 reams and sold it for less than it cost him in this country, and he gave up the business.

Mr. CLARK. There is no tissue paper combination?

Mr. BUCK. I do not know of any.

Mr. CLARK. If there is one, you are not aware of it?

Mr. BUCK. No, sir.

Mr. CLARK. Then you are not a part of the paper trust?

Mr. BUCK. I do not think so.

Mr. CLARK. It has been stated before us that there is no such thing as a paper trust.

Mr. BUCK. I have heard of it.

Mr. CLARK. Have you ever come in contact with it?

Mr. BUCK. I have seen a gentleman whom they said belonged to the paper trust. I had never seen any of them before.

Mr. CLARK. Do the tissue paper men all sell at the same prices?

Mr. BUCK. I can not answer that question.

Mr. CLARK. Have you ever investigated that question?

Mr. BUCK. I presume that they sell substantially at the same price.

Mr. CLARK. Does not the location of the mill or any favorable or accidental circumstance enable one company to produce cheaper than another company can produce?

Mr. BUCK. Possibly that might be so, but I think, with the railroad facilities, which are so complete and perfect, that it is scarcely a consideration that could enter into the question; and, moreover, if rates were to favor any particular one section or locality that matter could be corrected by the Interstate Commerce Commission.

Mr. CLARK. Is there any association, combination, or arrangement by which anybody acting under authority of such combination can sell this paper to the consumer at a fixed price?

Mr. BUCK. I do not know of any.

Mr. CLARK. You never heard of such thing?

Mr. BUCK. I never heard of such thing. That question has never come home to the persons I represent. I do not think the Dexter Mill would ever permit it. A gentleman who has just whispered to me says that there is no such thing.

Mr. CLARK. Who is the gentleman who just whispered to you?

Mr. BUCK. He is the manager of the mill of C. H. Dexter. He is a practical manufacturer.

Mr. CLARK. Are you a manufacturer?

Mr. BUCK. No, sir; I am a lawyer.

Mr. CLARK. I thought you were asking these things because you were a manufacturer.

Mr. BUCK. No, sir.

Mr. CLARK. Is this gentleman who was whispering to you your client?

Mr. BUCK. Well, he is not my client, but he is the superintendent of the corporation that is my client.

Mr. CLARK. Then, practically, he is your client?

Mr. BUCK. Yes, sir. I know him and have known him for thirty years and I believe his word, and I also believe the word of Mr. Coffin. I have no doubt of the truth of whatever they say.

Mr. CLARK. We lawyers have never been able to get up a trust in our business.

Mr. BUCK. That is true, and I do not think that this committee, looking exactly like the Supreme Court, or a little more so, would think anything less of the truth if it came from the lips of a lawyer than if it came from other sources.

The CHAIRMAN. The paper trust which has been spoken of was the International Paper Company. You said that you had heard of the paper trust.

Mr. BUCK. I have heard of that.

The CHAIRMAN. You have no personal knowledge of it?

Mr. BUCK. Not the slightest.

The CHAIRMAN. I suppose that, in referring to the paper trust, you referred to the International Paper Company?

Mr. BUCK. Yes, sir. We have no connection with them—no connection in any way whatever.

The CHAIRMAN. I suppose that there is a uniform price for wheat in Liverpool, is there not?

Mr. BUCK. I think there must be.

The CHAIRMAN. You would not regard that as the absolute existence of a trust—the fact that the producers sell wheat in Liverpool at a certain price?

Mr. BUCK. No; I do not think that is any proof. I think that the manufacturers would be weak to consider anything that would cut their own throat.

Mr. CLARK. Did you not tell me a while ago that you had run across some of the representatives of the paper trust here in Washington?

Mr. BUCK. I said that I had seen one of them—that he had been pointed out to me as one of the paper trust.

Mr. CLARK. I wish you would send in the names of such gentlemen, as we would like to present them to Mr. Bonaparte, of the Department of Justice. It is claimed all the time that they are unable to find anybody who belongs to the paper trust.

Mr. BUCK. I should be glad to furnish any of the names if I can. I do not know any of them, and I suppose that you have more facilities here for finding them out than I have.

Mr. CLARK. I do not run with that gang. They do not come to me, but you being in the paper business I understood you to say that you had met some gentlemen who were representatives of the paper trust.

Mr. BUCK. I think you are in error as to what I said. I said that a gentleman was pointed out to me as being a representative of that trust, but I do not know any of the names.

SURFACE-COATED PAPERS.

[Paragraph 398.]

STATEMENT OF H. B. FABER, OF NEW YORK, REPRESENTING THE MANUFACTURERS OF SURFACE-COATED PAPERS.

SATURDAY, *November 21, 1908.*

Mr. FABER. Mr. Chairman and gentlemen of the committee, I will not read my brief, but will simply state some of the main features connected with it.

This is an old industry, the surface-coated paper, paper familiar to you all, and paper used to cover boxes—shoe boxes and hat boxes, and various boxes of that description. This paper has been manufactured in Germany for a great number of years, but it is a relatively young industry in this country. It is a paper that is manufactured by putting onto a white paper stock a color and then polishing this color to make a glazed finished surface, which you will see in samples on the back of this brief.

Now, the main feature of the argument is to show that the imports of the foreign papers have increased from 4,000,000 pounds in 1902 to 8,000,000 pounds in 1907. The manufacturers of surface-coated papers in this country have suffered a corresponding decrease, not so much on their output as in their profits, due to this increase of approximately 100 per cent in the importations of glazed papers.

The reason that these foreign papers have come into this country in the volume that they have is due to the cost of production in Germany and the cost of production in this country.

On page 6 of this brief I have calculated the cost of producing this grade of goods in this country and in Germany, and you will notice that to manufacture a unit quantity of this grade, which we call a ream, which is 480 or 500 sheets of paper 20 inches by 24—to manufacture this unit quantity it costs us in this country $2.25, while in Germany they can manufacture the same thing for $1.19. The reason for that is that the paper stock that they use is slightly cheaper. Their color is slightly cheaper, and their labor very much so, and you will notice that the labor item in the American product is 49 cents as against 10 cents in the German.

These figures, as you will notice in making the comparison of cost, have been very carefully compiled. I have done the work myself, and they have covered over 5.000 individual orders that have been turned out and sold to the trade. They have been made up in percentages and simplified, of course, under four headings, as you will see on page 5, which will give you the component percentages which enter into the cost of production.

In taking my figures of German cost I have taken an extract from Carl Hoffmann's paper, the Papier Zietung, which is a recognized authority, where he asks the German manufacturers of these goods for their statements of cost; and he has printed that statement in detail, giving the labor of a single laborer on the machine, and that appears on page 7. That is an authentic statement, and it can be relied upon. In that statement he shows that the cost of manufacturing this product in Germany is $1.19, as against the cost in this country which we show, and which is the combined opinion of all the manufacturers in the trade in this line, of $2.25. This paper manufacured in Germany for $1.19 enters this country, all duties paid, for $1.81, and sells in the open markets for from $1.90 to $2 a ream, against our product manufactured at a cost of $2.25. That shows why the imports of that grade of paper have been on a steady increase, and why the manufacturers in this country have suffered a decrease in their profits.

The American manufacturers have been compelled in late years to throw into the market an imitation paper, and I have submitted a sample of the imitation on the second from the last sheet attached to the brief. To every appearance that imitation resembles the imported papers. It is of the same weight and of the same appearance and of the same character, but the pasting qualities of the paper are very different. It is made by an entirely different method. The burnishing is put on longitudinally instead of across the paper, and when that paper is used by the box makers they encounter difficulties which they do not encounter in the imported or domestic flints. This imitation paper we can manufacture in this country for $1.90 a ream, and you will find on page 8 a detailed statement of our costs. That is the best we can do, $1.90 a ream, and that imitation paper at a cost of $1.90 a ream has to compete against the foreign flint paper which it is an imitation of, sold in this country at $1.90 to $2, manufaetured in Germany at $1.19.

Mr. CRUMPACKER. What is the duty?

Mr. FABER. About 62 cents.

Mr. DALZELL. You want to make it 6 cents a pound?

Mr. CRUMPACKER. What would that be ad valorem under your present rate?

Mr. FABER. I should judge it would be about 70 or 80 per cent ad valorem. It would have to be double the duty we have on now, and you will see the duty here on page 4. The ad valorem duty figures up in the neighborhood of 40 per cent.

Mr. CLARK. Of this surface-coated paper that you are talking about, you say there has been an enormous increase in the importation?

Mr. FABER. There has been.

Mr. CLARK. According to your own figures, in the year ending June 30, 1903, they imported 1,359,110.25 pounds, and in the year ending June 30, 1907, there was imported only 1,380,781.50. That is an increase of only about 20,000 pounds in five years.

Mr. FABER. In that figure you gave me, 1,359,110.25, you will notice "Surface-coated papers not specially provided for in this act." That is the beginning of the paragraph, and then comes surface-coated papers "if printed, or wholly or partly covered with metal or its solutions, or with gelatin, or flock." That is another branch of the industry, not the ordinary surface-coated glazed papers which are shown here, and which come under the clause, "Surface-coated papers not specially provided for in this act."

Mr. CLARK. If you do not intend this table to show it, what did you print the table for?

Mr. FABER. The "others not specially provided for" are 4,037,646 as against 6,883,165. I am copying this official table and do not want to omit anything.

The CHAIRMAN. You are included in "others are not provided for"?

Mr. FABER. Yes; we are included in "others are not provided for" in this table.

The CHAIRMAN. What are the others?

Mr. FABER. Surface-coated papers.

The CHAIRMAN. Anything besides the paper you manufacture?

Mr. FABER. No, sir.

The CHAIRMAN. "Others not specially provided for" covers the papers you manufacture?

Mr. FABER. That is where it appears on the import sheets.

The CHAIRMAN. I know how it appears. I am trying to find out what the fact is, whether that clause "others not specifically provided for" includes those you manufacture and nothing else?

Mr. FABER. Nothing else. The reading of the paragraph as it stands now is "Surface-coated papers not specially provided for in this act."

The CHAIRMAN. I know how that reads.

Mr. CLARK. The one you are talking about is included in both or one of those classes?

Mr. FABER. Both.

The CHAIRMAN. What did you print the other for?

Mr. FABER. Because that comes under the heading.

Mr. CLARK. You do not make "surface papers," etc.?

Mr. FABER. "Covered with metal or its solutions, or with gelatin or flock?"

Mr. CLARK. I do not know what it is covered with. Do you make papers included in that first specification there—surface papers, etc.?

Mr. FABER. We make papers in both.

Mr. CLARK. What percentage belongs to the first class and what to the second?

Mr. FABER. Ninety-nine per cent to the second class and 1 to the first.

Mr. CRUMPACKER. If the rate of duty is increased, the box manufacturer would have to have an increase of duty?

Mr. FABER. Not when you consider that a ream of paper will cover nearly a thousand boxes, and where the ream of paper sells at $2.25 a ream you would see that the fraction of increase there would be very slight.

Mr. CRUMPACKER. I see you figure the difference in the cost of labor in this country and Germany, and state that while labor costs in Germany 10 cents, in this country it is 49 cents. That is based on the rate of wages? It is not based on the labor cost of the product, but the actual wages?

Mr. FABER. These figures are all made up from the pay roll.

Mr. CRUMPACKER. You know in a general way that that is not an accurate way to determine labor cost. In the Philippines apparent labor is also lower than it is here, yet the actual labor cost there is in effect higher than here from an economic standpoint. Is there any difference in the method of production?

Mr. FABER. No, sir; the process is the same. In fact the Germans have copied our machinery, and the hours are the same, and about the same amount of labor is put on the unit product in this country and in foreign countries.

Mr. FORDNEY. What is the difference between the efficiency of German and American labor employed in the production of that kind of paper?

Mr. FABER. As we are compelled to use mostly German labor, that is about the same.

Mr. FORDNEY. The gentleman compared Filipino labor with American labor, and I understood he tried to make the same comparison between the United States and Germany.

Mr. CRUMPACKER. I beg the gentleman's pardon. I was not making a comparison, except to illustrate a principle. That is all.

Mr. FABER. The German and American labor is of about equal efficiency, and we use about the same number per unit of quantity in this country as abroad, and we work about the same hours.

Mr. FORDNEY. There is no such comparison to be made between the labor of the United States and Germany as there is between the United States and the Philippine Islands?

Mr. FABER. I know nothing about the Philippine Islands.

Mr. FORDNEY. They pay 16 cents a day there.

The CHAIRMAN. I see the ad valorem duty on your stock is 44 per cent, and you ask increase of the duty to 6½ cents a pound.

Mr. FABER. We ask you to drop the ad valorem and increase the specific duty to 6 cents a pound.

The CHAIRMAN. That would make the duty equivalent to about 70 per cent ad valorem?

Mr. FABER. I judge so.

The CHAIRMAN. You think you would have to nearly double the duty that there is now in order to live?

Mr. FABER. You can see that, because that duty of 6 cents a pound will not permit that foreign product to sell in this country for less than the cost to the manufacturer to manufacture it.

The CHAIRMAN. How much do you produce here now?

Mr. FABER. In volume?

The CHAIRMAN. How much do all of you produce here in this country?

Mr. FABER. I would have to make a very rough guess at it. I should say a million dollars, covering all the lines.

The CHAIRMAN. Was that amount increased or not, say, from 1903 to 1907?

Mr. FABER. I believe the amount has stood about uniform in the last four or five years. I know the profits have decreased. I can answer for that.

The CHAIRMAN. The profit has decreased, especially in the last year?

Mr. FABER. I am not counting the last year.

The CHAIRMAN. We are not counting the last year.

Mr. FABER. I can possibly answer your question in another way. In 1907, right at the height of our business activity in our own factory, we had 75 flint machines for manufacturing this paper, of which 50 of them were shut down.

The CHAIRMAN. You had 75 when?

Mr. FABER. Seventy-five machines ready to work and only 25 in operation.

The CHAIRMAN. When did you put in that large number of machines?

Mr. FABER. Oh, we have been in business dating back from 1839.

The CHAIRMAN. The business has grown up since that time?

Mr. FABER. Yes; grown up gradually. I can not tell when these machines were put in.

The CHAIRMAN. Does this substitute sell as well as the original goods?

Mr. FABER. No, sir; this imitation you refer to does not sell as readily. It is only by reason of the fact we sell it at lower prices that the goods ever sell at all.

The CHAIRMAN. Does that largely take the place of the original goods?

Mr. FABER. It has not largely taken the place of it. We try to make it take the place of it in competition with the foreign product.

Mr. BONYNGE. What percentage of your output was the imitation style in 1907?

Mr. FABER. Sixty per cent of the imitation to 40 per cent of the flinted, or the goods we tried to imitate.

Mr. BONYNGE. You say you are able to sell this imitation flinted article in the United States because you can sell it at cheaper prices than the imported flint?

Mr. FABER. No, sir; we can not sell it at cheaper prices, but we manufacture this imitation product in order to compete against the foreigner.

Mr. BONYNGE. But you get more for the imitation, according to your figures on page 13, than they can sell theirs for?

Mr. FABER. We do, because we can not manufacture the imitation at that price. The imported sells for $1.90 and $2, whereas it costs $1.90 to manufacture the imitation.

Mr. BONYNGE. They sell the imported flint in the United States for $1.90 to $2, and you sell the imitation for $1.90 to $2.25?

Mr. FABER. Yes, sir.

Mr. BONYNGE. Why does the imitation run out the imported article?

Mr. FABER. It is not doing that. Year by year, as you can see, our imports have been increasing.

Mr. BONYNGE. What percentage of the imitation do you say is sold as compared to the entire amount consumed?

Mr. FABER. Sixty per cent of the imitation against 40 per cent of the flinted paper.

Mr. BONYNGE. That does not look as if the imported flint was running out the imitation flint, if 60 per cent is imitation.

Mr. FABER. Not 60 per cent of the total consumption. You are asking, as I understand it, what percentage of the manufactured goods is imitation and what percentage of the manufactured goods is the flinted goods. I say 60 per cent imitation and 40 per cent flinted goods. These imitation goods come in competition with the imported papers and are gradually being driven to the wall. Of course, the flinted papers are being driven more rapidly than the friction papers, and we only produce 40 per cent of those now.

Mr. BONYNGE. What has been the highest amount you have ever produced of the imitation? Was it ever more than 40 per cent?

Mr. FABER. It was up to 90 or 100 per cent at one time. It was only by reason of the fact we could not compete against this foreign product that we were compelled to go into the manufacture of imitation goods. In the early days there were no friction goods at all; they were all flinted goods. That has arisen in the last few years by reason of competition.

Mr. FORDNEY. The reason you only sell 40 per cent of the flinted article as compared to 60 per cent of the imitation is on account of the large cost of the flinted article?

Mr. FABER. Yes, sir; and it is used for particular work, and we have a limited market now for it.

Mr. FORDNEY. You are trying to induce the market to take the imitation instead of the real article?

Mr. FABER. If we do not do that we will be compelled to go out of the market.

Mr. GRIGGS. How long have they been making this imported article abroad?

Mr. FABER. I really could not say; over a hundred years, I know. There are over 75 factories in Germany.

Mr. GRIGGS. And you have been making your articles relatively a short time?

Mr. FABER. Yes, sir.

Mr. GRIGGS. I understood you to say you had been making it ever since 1839. Can you not make another calculation for us on that?

Mr. FABER. I can not say how long the Germans have been making it. I know it is a good deal over a hundred years.

Mr. GRIGGS. When did you begin to manufacture the imitation flint?

Mr. FABER. The imitation paper has only been brought into the market in the last fifteen years. The foreigners have tried to make an imitation themselves.

Mr. GRIGGS. And failed?

Mr. FABER. And failed to do it.

Mr. GRIGGS. Then you have the field there?

Mr. FABER. No, sir; we have not the field, because it is an imitation, and we do not want the field on imitation.

Mr. GRIGGS. Have you been losing money ever since 1839?

Mr. FABER. No, sir.

Mr. GRIGGS. When did you begin to lose money?

Mr. FABER. When the increase began on the importations.

Mr. GRIGGS. The more you have learned about the manufacture of the paper, the more money you have lost?

Mr. FABER. That seems so—or the more the Germans learn the more we lose.

Mr. CLARK. What kind of labor do you use?

Mr. FABER. We use some skilled labor and some ordinary labor.

Mr. CLARK. I thought you told one of the gentleman you used German labor.

Mr. FABER. We do—skilled labor.

Mr. CLARK. The Germans import the paper and you import the labor?

Mr. FABER. The skilled labor; yes.

Mr. CLARK. You import the labor? Do you import it under contract made in Germany?

Mr. FABER. No, sir.

Mr. CLARK. How can the German find out you want him if you do not have a contract with him?

Mr. FABER. He comes to this country, and this being a very large industry in Germany they have a large market to come from. They come here looking for work in the line with which they are familiar and they learn there are paper manufacturers who are making this line of paper.

Mr. CLARK. You did not send an agent over there to drum them up?

Mr. FABER. Positively not.

Mr. CLARK. That is against the law, you know.

Mr. GRIGGS. You say these Germans come over here looking for work, and after arriving here they force you to pay them five times as much as they were getting at home. Is that true?

Mr. FABER. That is true.

The CHAIRMAN. I wish you would send us your pay roll for the month of January, 1907, Mr. Faber.

Mr. FABER. I can do that.

The CHAIRMAN. Show the different classes of labor, specifying the classes of labor, and what you pay by the day or week or hour.

Mr. FABER. There is a classification in one of the sheets I have submitted to the committee. Possibly that will answer your question.

The CHAIRMAN. I do not care for the number of employees so much as I do the number who are skilled and the number who are merely common laborers.

Mr. FABER. I can prepare that for you.

The CHAIRMAN. I do not find in your brief the number of pounds to a ream; I suppose it varies, but you give us no idea of the weight of a ream of paper, and at the same time you ask us to make a duty on the pound basis.

Mr. FABER. In that extract from Carl Hoffman's article I have given it in weight.

The CHAIRMAN. On what page is that? I looked all through the brief and could not find it.

Mr. FABER. I believe I have stated the weight in my brief.

The CHAIRMAN. You have the weight stated in your brief, but in such a way that the committee will have to figure it into pounds.

Mr. FABER. That is 18 pounds to the ream. The average paper weighs 19 pounds to the ream, and the paper weighs about the same as domestic, possibly a trifle less—a half pound or a pound.

The CHAIRMAN. We have work enough to do without translating such figures in that way.

Mr. CLARK. What proportion of your laborers are American citizens, and what proportion of them are unnaturalized? Do you have any idea on that subject?

Mr. FABER. Unnaturalized, you say?

Mr. CLARK. Yes, sir.

Mr. FABER. I believe probably 90 per cent of them are naturalized.

Mr. CLARK. Ninety per cent of them are naturalized?

Mr. FABER. Yes. They have been with us a good many years. The Germans are the skilled laborers.

Mr. CLARK. What I am getting at is this: Are the men you employ American citizens, men who came here to stay, or do they belong to the class that come over here and get work, if they can, and as soon as they get a little money go back to Europe again?

Mr. FABER. No; they are here to stay. We have some that have been with us forty years or more. They come here to stay and settle. We have no transient help from abroad.

STATEMENT OF MANUFACTURERS OF SURFACE-COATED PAPERS RELATIVE TO NEW CLASSIFICATION.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The manufacturers of surface-coated papers represented by the undersigned respectfully urge that paragraph 398, Schedule M, of the tariff act of 1897, be amended as hereinafter mentioned.

The products particularly and seriously affected by this paragraph are commonly known as surface-coated, glazed, and plated papers for covering paper boxes, such as are used for putting up candy, jewelry, underwear, hosiery, knit goods, hardware, and thousands of other articles which are in daily use, and also for printing and lithographic work. Outside of a few large concerns who make book papers the manufacturers of this class of goods do not make the raw paper used

for coating, but buy it from paper mills. The various processes of coating require considerable technical skill and experience, and the materials used are pulp and dry colors, glue, clays, etc. These materials are largely imported. The coating is done by machinery, and the papers are then finished on flint machines and friction calenders. The flint machine is a small and rather expensive machine by which the paper is glazed under a flint stone, and will turn out on the average about 2 reams in ten hours. The papers made by this process are the more expensive, have a high finish, and are used for the better grade of boxes, printing, etc. All of the foreign papers in the glazed line imported into this country are finished by this process. The other process of finishing is by friction calenders—a process made necessary by the steady increase of foreign imports and the inability of the domestic manufacturers to compete on the better grades. The friction-finished papers are simply imitations of the flint-finished papers, and are inferior to the latter for the finer grades of work.

The manufacture of surface-coated papers is an old industry abroad. Germany alone has upward of 75 factories turning out these goods, while in the United States there are less than 25.

By reason of the excessive low cost of material and labor abroad, this country has been made the dumping ground of the foreign product, and it has resulted in the curtailment of the output of the home manufacturer.

A specific case will illustrate this point. During the spring of 1907, at the height of the business activity of this country, out of 75 flinting machines in the factory of Doty & Scrimgeour, Brooklyn, N. Y., only 25 were in operation; the balance were shut down and the labor discharged, solely from lack of work. Furthermore, this has resulted in many manufacturers of surface-coated papers finding it more profitable to import certain lines of papers rather than to manufacture them. One very large manufacturer, Louis De Jong & Co., of New York, has for years imported largely of these papers, finding it more profitable to import than to manufacture them.

It is a fact that the foreign importation entering into this country at the ports of New York, Boston, Chicago, and other cities has increased almost 100 per cent during the last five years.

	Rate of duty.	Quantities.	Values.	Duties.	Value per unit of quantity.	Ad valorem rate of duty.	Year ending—
		Pounds.				*Per cent.*	
Surface-coated papers, printed or wholly or partly covered with metal or its solutions or with gelatin or flock.	3 cents a pound, 20 per cent ad valorem	511,744.00	$141,234.10	$32,617.15	$0.274	27.23	June 30, 1908.
Others not specially provided for	2½ cents a pound, 15 per cent ad valorem	3,281,503.75	281,229.50	124,312.09	.086	44.11	
Surface-coated papers, etc	3 cents a pound, 20 per cent ad valorem	1,359,110.25	199,232.00	80,619.72	.147	40.47	June 30, 1906.
Others not specially provided for	2½ cents a pound, 15 per cent ad valorem	4,037,646.20	330,341.00	150,492.36	.082	45.56	
Surface-coated papers, etc	3 cents a pound, 20 per cent ad valorem	1,186,486.75	198,562.00	74,307.00	.162	38.39	June 30, 1904
Others not specially provided for	2½ cents a pound, 15 per cent ad valorem	4,351,150.00	350,047.00	161,285.84	.080	46.08	
Surface-coated papers, etc	3 cents a pound, 20 per cent ad valorem	1,096,156.67	177,748.00	68,484.33	.162	38.50	June 30, 1905.
Others not specially provided for	2½ cents a pound, 15 per cent ad valorem	3,891,067.33	318,312.00	145,098.37	.082	45.52	
Surface-coated papers, etc	3 cents a pound, 20 per cent ad valorem	1,209,661.00	201,508.41	76,592.11	.167	38.01	June 30, 1906.
Others not specially provided for	2½ cents a pound, 15 per cent ad valorem	4,486,054.65	404,935.00	172,891.70	.09	42.70	
Surface-coated papers, etc	3 cents a pound, 20 per cent ad valorem	1,380,781.50	231,569.75	87,737.41	.168	37.89	June 30, 1907.
Others not specially provided for	2½ cents a pound, 15 per cent ad valorem	6,888,165.70	573,728.00	258,138.44	.083	44.99	

This alarming increase, together with the corresponding decrease in the output of the product manufactured in the United States, makes it imperative that some revision of paragraph 398 be made if this industry is to continue in this country.

The stagnation in growth of this industry in the United States is proof sufficient that the profits during the past five years have been lean and that the costs of manufacture have been shaved down to their lowest figures. This is further emphasized by the fact that the manufacturers in the trade are independent, there being no combination of any kind.

The unit of manufacture for this country and Germany is a ream, composed of 500 sheets, 20 by 24 inches, and weighs from 18 to 20 pounds. The usual wholesale quantities are 20 reams or case lots (foreign), containing 25 reams.

The average cost to manufacture a ream of flinted paper in the United States is $2.25. The expenses which go to make up the total cost (expressed in percentage) of goods manufactured in the United States are:

	Per cent.
Paper	34.6
Color	19.5
Labor	21.8
Manufacuring and selling expense	24.1
	100

The figures from which these percentages are made have been compiled during the past three years as accurately as the most approved cost system can determine, and covering more than 5,000 individual and completed orders, actually sold to the trade.

The ream of foreign flinted paper sells in this country for $1.90 to $2 a ream, selling against the domestic paper, which can not be manufactured for less than $2.25 a ream.

A comparison of the relative costs of manufacturing a ream of flinted paper in the United States and in Germany is as follows:

Cost of manufacturing a ream of flinted paper.

	In the United States.	In Germany.
Paper	$0.78	$0.50
Color	.44	.25
Labor	.49	.10
Manufacturing and selling expense	.54	.34
Total	2.25	1.19

The figures used in the above calculation of cost of the home product are derived from the percentages heretofore expressed. The figures used in determining the cost of the foreign product are an abstract from an article published by Carl Hofmann, of Berlin, editor of Papier Zeitung, attached herewith.

Calculation on surface-coated papers (flinted), copied from article published by Carl Hofmann, of Berlin, editor of Papier Zeitung:

"What is the cost of production on 50 reams of flinted paper at 480 sheets, 51 by 76 centimeters in size, which is to be delivered f. o. b.

London at 6½ shillings=M. 6.60, 5 per cent commission and 2 per cent discount? Weight of paper to be 48 to 50 grams per square meter (equivalent to 18 pounds to the ream of 500 sheets, 20 by 24 inches).

Calculation on 50 reams.

	M.	Pf.
Net 470 kg. paper, at 28 pf	131	60
Average cost of color per ream, 1 m. 30 pf	65	
Labor for color mixing	2	50
Labor for color-machine tender	5	
Labor for one girl helper	1	50
Labor for glazing, at 20 pf. per ream	10	
Labor for cutting, at 3 pf. per ream	1	50
Labor for sorting, counting, and packing	5	
3 per cent waste, etc	6	65
Packing in 3 (bales)	4	50
50 wrapping sheets, 5 kg., at 27 pf	1	35
Cartage to railroad depot, 525 kg., at 30 pf	1	60
Freight to London, 525 kg., at 4 m. 20 pf	22	5
5 per cent commission, 2 per cent discount=7 per cent of selling price; 50 by 6 m. 60 pf.=330 m	23	10
For superintendence, figured for a capacity of 10 coating machines, at 50 reams	20	
Selling expense (no allowance for losses)	10	
	311	35

Fifty reams glazed paper 51 by 76 cm. cost to manufacture 311 m. 35 pf., and sells for 330 m.

Expressing the above figures in terms of reams 20 by 24 inches, and calculating a mark at 24 cents, we have—

Fifty reams 51 by 76 cm. equal 62.5 reams 20 by 24 inches.

Sixty-two and one-half reams 20 by 24 inches cost 311 m. 35 pf., or $74.72.

One ream 20 by 24 inches costs $1.19 delivered in London.

One ream 20 by 24 inches sells for $1.26 in London.

The margin between cost, 311 m. 35 pf., and selling prices, 330 m., or 18 m. 65 pf., is no profit for the excessively low figuring of the various items, the unavoidable repairs to machinery and plant, loss of interest on long credits. Accidents and many other expenses are not taken into consideration.

This German product, laid down in London at an average cost of $1.19 a ream to manufacture in Germany, can be laid down in the United States, duty paid, for $1.81 cost, and sold for $2 a ream, against the cost of producing the same article in this country for $2.25.

The manufacturer has been compelled to throw into competition against the imported glazed or flinted paper an imitation known in the trade as "friction finish" papers. This paper is manufactured at an average cost of $1.90 a ream.

	Cost of manufacturing a ream of—	
	Friction finish or imitation flinted in the United States.	Flinted finish in Germany.
Paper	$0.66	$0.50
Color	.37	.25
Labor	.41	.10
Manufacturing and selling expense	.46	.34
	1.90	1.19

The cost of an imitation flinted paper of American manufacture is greater than the price at which the foreign flinted paper is entered into our markets, all duties paid. The foreign manufacturers do not send an imitation flinted paper to this country.

The American manufacturers find marked differences in the cost of manufacture dependent on the color of the finished product, and have classified the various costs into five different groups accordingly, as follows:

Taking Group A as a unit of cost, or 100 per cent, the relation of cost and selling price is:

A. Surface-coated paper, white, unit of cost, 100 per cent; selling price, $2.10.

B. Surface-coated paper, tints, approximate unit of cost, 110 per cent; selling price, $2.25.

C. Surface-coated paper, red and green, approximate unit of cost, 120 per cent; selling price, $2.50.

D. Surface-coated paper, dark shades, approximate unit of cost, 125 per cent; selling price, $2.60.

E. Surface-coated paper, copper and metal finish, unit of cost, 150 per cent; selling price, $3.25.

Samples attached hereto show examples of these groups.

The foreign product entering the United States is valued, in applying the ad valorem duty, without regard to shade, except as to Class E, and sells in the home market, against these domestic prices, for $1.90 to $2 a ream for all shades.

In the face of these facts and figures, it is the combined recommendation of the manufacturers of surface-coated paper in the United States that paragraph 398 of Schedule M should be amended as follows:

Paragraph 398—Surface-coated papers.

Amend paragraph 398 by striking out after the word "act" the words "two and one-half cents per pound and fifteen per centum ad valorem" and insert the words "six cents per pound" (as a minimum duty).

Strike out after the word "flock" the words "three cents per pound" and insert the words "six cents per pound" (as a minmum duty).

The amended paragraph will then read as follows:

"Surface-coated papers not specially provided for in this act, six cents per pound; if printed, or wholly or partly covered with metal

or its solutions, or with gelatine or flock, six cents per pound and twenty per centum ad valorem; parchment papers, two cents per pound and ten per centum ad valorem; plain basic photographic papers for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or papers otherwise surface coated for photographic purposes, thirty per centum ad valorem."

Respectfully submitted.

DOTY & SCRIMGEOUR, INC.,
New York, N. Y.,
LOUIS DE JONGE & CO., INC.,
New York, N. Y., and Fitchburg, Mass.,
WALTHER & CO.,
New York, N. Y.,
SPRINGFIELD GLAZED PAPER CO.,
Springfield, Mass.,
E. G. LOCKE,
Camden, N. J.,
NEW ENGLAND CARD & PAPER CO.,
Springfield, Mass.,
HOLYOKE CARD & PAPER CO.,
Springfield, Mass.,
UNITED MANUFACTURING CO.,
Springfield, Mass.,
Committee.

EXHIBIT A.

Table of comparative wages paid in Germany and the United States in the surface-coated paper industry.

	Germany.	United States.
	Per day.	*Per day.*
Color machine tenders	1.80 m. or 43 cents	$1.75
Flint or finishing machine tenders	1.40 m. or 34 cents	1.50
Color room bosses	4.00 m. or 96 cents	2.25
Average wages skilled male factory help	2.00 m. or 48 cents 2.50 m. or 60 cents	2.00- 2.50

MARBLE AND AGATE PAPER.

[Paragraph 398.]

HON. G. E. WALDO, M. C., SUBMITS LETTER OF DOMESTIC PAPER CO., NEW YORK CITY, ASKING FOR AN INCREASE OF DUTY ON AGATE AND MARBLE PAPER.

290 BROADWAY, NEW YORK,
November 23, 1908.

Hon. SERENO E. PAYNE, M. C.,
Chairman Committee on Ways and Means,
Washington, D. C.

MY DEAR SIR: Herewith you will find inclosed a communication from Mr. J. W. Newberry, president of the Domestic Paper Company,

of 115–117 Nassau street, New York City. Mr. Newberry is a resident of my district.

Mr. Newberry and his company desire that the duty on marble and agate paper, under the present law 2½ cents per pound and 15 cents ad valorem, be increased to 5 cents per pound and 30 cents ad valorem.

If this is done, Mr. Newberry is confident that a large business in the manufacture of this kind of paper will be built up in this country, and his company alone is ready to invest a considerable amount of capital if this increase in the tariff is made.

Yours, very truly,

G. E. WALDO.

115–117 NASSAU STREET,
New York, November 18, 1908.

Hon. COMMITTEE OF WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Marble and agate paper samples attached are at present subject to a duty of 2½ cents per pound and 15 cents ad valorem, and are classified under the head of coated papers, which includes all surface-coated papers.

Not a single pound or sheet of marble or agate paper is manufactured in the United States, but is principally manufactured in Germany and Belgium, several thousand men being employed in this class of work.

The wages in Belgium average 90 cents per day of thirteen hours. There are a few men employed in the United States marbling the edges of books; their wage is $2.50 to $3.50 a day of eight hours.

The average product of one man making marble and agate paper is one-half ream per day, so that the cost of labor in Belgium in producing one ream of such paper is $1.80.

The weight of such paper mostly used in the United States is 20 pounds. to the ream. It retails in the United States at $3.75 per ream.

To compete with foreign labor workmen in the United States could not be paid over $1 a day. This is the reason why there are no manufacturers of marble or agate paper in the United States.

If the duty on such paper were raised to 5 cents per pound and 30 cents ad valorem, a large industry in this line would be generated and employment given to hundreds to men at fair living wages, not to speak of the products used in producing such paper being purchased at home.

The increase of duty asked is only just and fair to the workmen of this country, and would only put them on an equality with the cheaper labor of Europe, and would give employment to a large number of young men who would become adept in manufacturing such paper.

In the event of the duty being raised as requested, this company is prepared to invest considerable capital in the manufacture of the same in this country.

The above is respectfully submitted to your honorable committee for consideration.

Very truly, yours,

J. W. NEWBERRY,
President Domestic Paper Co.

PHOTOGRAPHIC PAPER.

[Paragraph 398.]

STATEMENT OF NELSON CURTIS, OF 2304 WASHINGTON STREET, BOSTON, RELATIVE TO BASIC PHOTOGRAPHIC PAPERS.

SATURDAY, *November 21, 1908.*

Mr. CURTIS. The lines which affect our industry are in Schedule M, paragraph 398, commencing with the words "Plain basic photographic paper, for albumenizing, sensitizing, or baryta coating, 3 cents per pound and 10 per cent ad valorem." To make it short, we ask that that be amended so as to read as follows:

Plain basic papers, for albumenizing, blueprinting, and black printing, baryta coating, or other sensitizing, photochemical, or photomechanical processes, 3 cents per pound and 20 per centum ad valorem; albumenized, baryta-coated, or sensitized paper, or paper otherwise surface coated for photographic purposes, 30 per cent ad valorem.

The CHAIRMAN. How much does that change the duty from the present schedule?

Mr. CURTIS. Ten per cent ad valorem.

The CHAIRMAN. It increases it 10 per cent ad valorem?

Mr. CURTIS. In that particular clause.

The following paper was here filed with the committee:

Committee on Ways and Means,
House of Representatives:

Respectfully represents your petitioner that the duty on plain basic paper for photographic purposes is now fixed by the Dingley tariff bill in Schedule M, paragraph 398, and reads as follows:

"Surface-coated papers not specially provided for in this act, two and one-half cents per pound and fifteen per centum ad valorem; if printed, or wholly or partly covered with metal or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; parchment papers, two cents per pound and ten per centum ad valorem; plain basic photographic papers for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or paper otherwise surface coated for photographic purposes, thirty per centum ad valorem."

That the rate of 3 cents per pound and 10 per centum ad valorem is not sufficient on plain basic photographic papers to protect your petitioner, the only recognized producer of high-grade plain paper for photographic purposes in the United States.

Wherefore your petitioner prays that said schedule be amended by changing the word "ten" to "twenty" in the thirteenth line of above schedule, paragraph 398, in order to return us to the rate given under the McKinley bill. Your petitioner further requests that the last clause beginning with the words "plain basic," etc., in line 11 of above paragraph 398, be changed so that it will read "plain basic papers for albumenizing, blueprinting and black printing, baryta coating, or other sensitizing, photo-chemical or photo-mechanical processes," so that Schedule M, paragraph 398, will read as follows:

"Surface-coated papers not specially provided for in this act, two and one-half cents per pound and fifteen per centum ad valorem; if printed, or wholly or partly covered with metal or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; parchment papers, two cents per pound and ten per centum ad valorem; [plain basic papers for albumenizing, blueprinting and blackprinting, baryta coating, or other sensitizing, photo-chemical or photo-mechanical processes, three cents per pound and *twenty* per centum ad valorem;] albumenized, baryta-coated, or sensitized paper, or paper otherwise surface coated for photographic purposes, thirty per centum ad valorem."

The reason for asking change of wording is to more properly classify papers which are now being imported, we think, under other classifications.

THE AMERICAN PHOTOGRAPHIC PAPER COMPANY,
By NELSON CURTIS, *Treasurer.*

Office, No. 2304 Washington street, Boston, Mass.

Mr. CURTIS. It might be well for me to explain to you something about the formation of our industry. In 1890 the state chemist of Connecticut, after many years of study and experiment, imparted to me, as a practical paper maker, his theoretical knowledge of making plain paper for photographic emulsions. By photographic emulsions I mean any kind of coating which may be applied to paper and when so applied is acted upon by light. We formed a company called the American Photographic Paper Company and in a small way began the manufacture of plain basic paper for photographic purposes at South Lee, Mass. We were encouraged in our experiments by the protection afforded under the McKinley bill. While there was no classification for such a paper under the McKinley bill, it supposedly came under the 35 per cent ad valorem rate.

We spent five years experimenting, from 1890 to 1895, and in July of the latter year we succeeded in making a marketable paper after having spent many thousand dollars in experiments. While we were in the experimental stage the Wilson bill became a law and reduced the rate from 35 per cent ad valorem to 30 per cent ad valorem. We did not appear in remonstrance to this reduction because we had not perfected our process. We did appear, however, before your committee at the hearing on the Dingley schedule and explained that the then existing classifications did not properly cover our product, and upon our recommendation the classification of plain basic papers, etc., was made. Our principal reason for asking a rate of 3 cents and 20 per cent ad valorem is to restore us to the protection under the McKinley bill and as recommended by the Finance Committee in the Senate at the time of the framing of the Dingley bill, thus enabling us to better compete with foreign manufacturers whose price for labor and material is much less than ours. The price paid for machine tenders in this country is from $3 to $4 per day, against 87 cents to $1 per day in Europe, and ordinary laborers are paid in this country from $1.50 to $2, against 50 cents to $1 per day in Europe. Girls employed in sorting of rags and in the finishing of paper are paid in this country from $1 to $1.25 per day, against 50 cents to 60 cents per day in Europe.

Under a secret process known to but three people, and in which process of manufacture all three take active part, the business is still being conducted by us.

We further desire to call your attention to the fact that the paragraph covering our papers might be changed to cover more broadly the papers which are imported for all photographic processes.

Finally, I would like to say that inasmuch as the McKinley bill afforded a rate of 35 per cent ad valorem when no plain paper for photographic processes was produced in this country, it seems to me proper that at least a like rate ought to exist now that such a paper is being successfully produced here.

The CHAIRMAN. What is the production in this country of photographic paper of all kinds?

Mr. CURTIS. The production in this country of the high grade, which we make——

The CHAIRMAN. In dollars?

Mr. CURTIS. I can not give you the low grades, but it is about 100 tons a year of the high grade. The importations are about 2,000,000 pounds.

Mr. CLARK. How much dividend are you making now?

Mr. CURTIS. Our paper costs us 23 cents a pound, and we sell it for 29 cents.

Mr. CLARK. That is, every time you invest 23 cents you make 6 cents. Do you know of any other business in which you can do that, excepting the lumber business [laughter]—that is, put in 23 cents and draw out 29?

Mr. CURTIS. But with a large business it would be different. This is a limited business.

Mr. CLARK. Of course it is. If it wasn't, you would be the richest man on earth. How much dividend do you make upon the money invested?

Mr. CURTIS. Our money? You must remember we have been a long time in bringing this business up to what it is.

Mr. CLARK. Well, let me put it this way: You do not expect Congress to put a tariff rate on your goods that will compensate you for money that you lost when you didn't know how to make the paper, do you?

Mr. CURTIS. I think that if the American manufacturer was willing to support a thing like that, of benefit to the consumer in America, that he should have some benefit.

Mr. CLARK. You are making money out of the business now?

Mr. CURTIS. We are.

Mr. CLARK. How much are you making? That is what we want to find out.

Mr. CURTIS. On the basis of sales of 150,000 to 200,000 pounds, 5 cents a pound.

Mr. CLARK. If you are making 6 cents on every 23 cents invested, you are making 30 per cent profit.

Mr. CURTIS. That should be 5 cents instead of 6 cents; 24 cents to 29 cents.

Mr. CLARK. Still, that leaves it away up yonder at 25 per cent profit, doesn't it?

Mr. CURTIS. The reason I ask for an increase in duty is because the foreigners are putting in so much paper. They can put it in for less than we can make it if they want to.

Mr. CLARK. Is there any stock in your company for sale?

Mr. CURTIS. No, sir.

Mr. CLARK. You do not want to sell it?

Mr. CURTIS. No; it is a close corporation.

Mr. CLARK. I would like to get some of it if you want to sell it.

THE AMERICAN PHOTOGRAPHIC PAPER COMPANY, BRIDGEPORT, CONN., WRITES RELATIVE TO DUTIES IMPOSED ON PLAIN BASIC PHOTOGRAPHIC PAPERS.

BRIDGEPORT, CONN., *December 29, 1908.*

Hon. EBENEZER J. HILL, M. C.,
Ways and Means Committee,
House of Representatives, Washington, D. C.

MY DEAR SIR: On Saturday, November 21, 1908, Nelson Curtis, of No. 2304 Washington street, Boston, Mass., appeared before your honorable committee in behalf of the company of which I am president. He made a plea for a special classification in the latter part of

paragraph 398 of Schedule M pertaining to plain basic papers for photographic emulsions.

I have been one of the state chemists of Connecticut for many years. Back in the sixties I commenced experimenting in trying to make a paper which could be used, when coated, for photographic emulsions. I was not successful until I met Mr. Curtis and together with him experimented from the year 1890 until 1895, when we produced a satisfactory paper. Our risk in the manufacture of this paper is a great one, it being very difficult to produce and liable to losses in the manufacture.

The testimony of Mr. Curtis made before your committee was that the paper costs us 24 cents a pound and we get 29 cents per pound, making a profit of practically 20 per cent in good times and provided we make no losses on bad accounts or poorly manufactured paper.

Under the McKinley schedule we were allowed 35 per cent ad valorem. We ask now that the duty be 3 cents specific and 20 per cent ad valorem, which is a 10 per cent raise from the Dingley schedule, so that we can compete with the foreign manufacturers and practically restore us to the McKinley schedule.

Trusting that you will give me your consideration in addition to Mr. Curtis's plea, I remain,

Yours, very truly,

THE AMERICAN PHOTOGRAPHIC PAPER CO.
Per SYLVESTER P. WHEELER, *President.*

EASTMAN KODAK CO., ROCHESTER, N. Y., OPPOSES INCREASE OF DUTY ON PLAIN BASIC PHOTOGRAPHIC PAPER.

ROCHESTER, N. Y., *December 31, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Our attention has been called to a statement made to the committee by Mr. Nelson Curtis, of Boston, in favor of an increase of the duty on "plain basic photographic paper for albumenizing, sensitizing or baryta coating" (par. 398). His argument is found under date of November 21, 1908.

Mr. Curtis's statements are so wide of the mark and his deductions so erroneous that we can not allow them to pass unchallenged.

1. Mr. Curtis is not a manufacturer of paper; he is simply a stockholder and officer of the American Photographic Paper Company. That company neither owns nor operates any paper mill. The paper which it sells is manufactured for it by the American Writing Paper Company at one of its mills located at South Lee, Mass. The manufacturing which the American Photographic Paper Company does consists simply in sizing the paper by a secret process. Several times a year Mr. Curtis and one or two assistants go to the mill at South Lee and supervise the preparation by his process of from 20,000 to 30,000 pounds of paper for photographic uses. His work is all done in the mill of the American Writing Paper Company, and the stock is carried in this same mill.

In his argument Mr. Curtis, in reply to a question put to him by a member of your committee, made the following statement: "Our paper costs us $0.23 per pound and we sell it for $0.29."

We happen to know that Mr. Curtis's company is under contract with a foreign manufacturer to sell to it its entire output up to 100,000 pounds at $0.23 per pound. It pays the American Writing Paper Company $0.19 per pound for the paper. On the basis of an output of 100,000 pounds, his company's gross annual profit is $4,000. In addition, the foreign manufacturer pays it an indemnity of $8,500 per annum, irrespective of the amount it takes. This added to the $4,000 makes a gross profit of $12,500.

Making a liberal allowance for the expenses of Mr. Curtis and his assistants while at South Lee supervising the sizing of the paper and for the expense of the comparatively small amount of chemicals which they use, the net annual profit of his company must be in the neighborhood of $10,500 per year, including the indemnity, on an output of paper which costs his company $19,000.

Practically all of the paper which Mr. Curtis's company sizes is sold to us by the foreign manufacturer, and we pay $0.29 per pound for it.

The combined profit of Mr. Curtis's company and the foreign manufacturer on this paper must be about 55 per cent.

2. During the year ending June 30, 1908, we imported about 2,266,000 pounds of photographic paper. Of this, 1,016,000 pounds cost $0.44 and upward per pound and about 1,250,000 pounds cost under $0.44 per pound. This paper is purchased by us from foreign manufacturers because it is not and, so far as has been discovered, can not be made in this country.

We are obliged to import over 95 per cent of all of the raw paper which we use for photographic purposes, for the reason that neither Mr. Curtis's company nor any other American company can furnish a paper which can take the place of the foreign-made paper.

It would therefore be unfair to increase the duty on raw basic paper and thus make us pay the increased duty on over 2,250,000 pounds, simply to enable Mr. Curtis's company to increase the present large profit on its output.

If Mr. Curtis's company could make a paper that could take the place of foreign-made papers, it would have a very large field for its product and could sell at a large profit under the present tariff rates.

In a former statement filed by us we stated that all our raw basic paper was made abroad. The amount of the Curtis paper (so-called) which we use is so small in comparison with our importation (less than 4½ per cent) that we overlooked it.

3. As we understand it the general policy of this Government is to admit free of duty such articles as can not be manufactured in this country. We see no reason why this principle should not be followed in this case. There can be no substantial argument urged in favor of an increase of the duty. It should be decreased instead of increased.

Very respectfully,

EASTMAN KODAK COMPANY,
By GEO. EASTMAN,
Treasurer.

PARCHMENT PAPER.

[Paragraphs 398 and 402.]

STATEMENT OF B. A. VAN WINKLE, REPRESENTING HARTFORD CITY PAPER COMPANY, HARTFORD CITY, IND.

SATURDAY, *November 21, 1908.*

Mr. VAN WINKLE. Mr. Chairman and gentlemen, I represent the Hartford City Paper Company, of Hartford City, Ind. We are engaged in manufacturing two special kinds of paper, one of which we call imitation parchment and the other of which we call glassine or parchment paper. We have been engaged in the manufacture of this paper since 1905. Previous to that time this paper was not manufactured in the United States, and all of it which was consumed in the United States was imported from Germany and Sweden.

We find that this paper is classified and dutiable under paragraph 402 of the act of 1897, which brings it in under unclassified papers bearing a duty of 25 per cent ad valorem. This paper is identical in its uses with parchment paper, and in many places it is used interchangeably with it, and notably in the packing industries, by the grocerymen, by the confectioners and bakers, and parchment paper is classified under paragraph 398 and bears a duty of 2 cents a pound and 10 cents ad valorem.

The transparent papers, or pergamyns, are used interchangeably with surface-coated or paraffin papers, which are admitted under the same paragraph and bear a duty of 2½ cents a pound and 15 per cent ad valorem. Our experience in the business has taught us that we are not able to make this paper and put it in competition on the Atlantic seaboard with the imported article, for the reason that the Germans and Swedes are able to obtain their labor at about 41 per cent of our cost, and are also able to obtain their sulphite fiber, from which this paper is made, at from $10 to $15 a ton below us for the same grade of stock in this country. Therefore they are able to put their paper in the seaboard markets at from 10 to 15 per cent below our cost of production, which of course shuts us out of business there.

The CHAIRMAN. I understand your contention is that parchment paper made from wood pulp is now classified by the courts as paper otherwise provided for at a lower rate of duty?

Mr. VAN WINKLE. Yes, sir.

The CHAIRMAN. And you desire to have it classified as paper made from rags, ordinary parchment paper?

Mr. VAN WINKLE. Yes, sir. The fact, Mr. Chairman, is that parchment paper is sometimes made of rags and sometimes made out of sulphite.

The CHAIRMAN. What relation does the parchment paper made from pulp bear to the other parchment paper? Is it substantially the same?

Mr. VAN WINKLE. Practically the same.

The CHAIRMAN. Is the process about the same?

Mr. VAN WINKLE. It varies a little.

The CHAIRMAN. The cost is about the same per pound?

Mr. VAN WINKLE. It is about the same per pound.

The CHAIRMAN. I do not think the committee will have any difficulty in coming to the conclusion that parchment paper made from anything will be classified as the same. That would satisfy you?

Mr. VAN WINKLE. Yes.

The CHAIRMAN. You do not ask for a change of duty?

Mr. VAN WINKLE. Not at all.

The CHAIRMAN. Do you ask for a change of duty on all parchment papers?

Mr. VAN WINKLE. Yes. We ask that they be classified the same as the papers with which they come into competition.

The CHAIRMAN. I think that is sufficient.

Mr. CLARK. Mr. Van Winkle, what is it you want?

Mr. VAN WINKLE. We want our paper taken from the unclassified list, which it is now in, and put into the classified list under an amended section—398.

Mr. CLARK. If there is no difference in the tariff after you change it, what do you want to change it for?

Mr. VAN WINKLE. I did not say that.

The CHAIRMAN. It comes in now as paper not provided for at the lower ad valorem rate.

Mr. VAN WINKLE. I said we did not want to have the tariff changed.

The CHAIRMAN. As interpreted by the courts, there is a difference. But you desire to have it the same?

Mr. VAN WINKLE. Yes.

Mr. CLARK. When did you start this business?

Mr. VAN WINKLE. In 1905.

Mr. CLARK. That is, under the same law as you have got now?

Mr. VAN WINKLE. Yes, sir.

Mr. CLARK. Are you making money?

Mr. VAN WINKLE. A little money.

Mr. CLARK. How much money did you make? Let us be perfectly frank with each other.

Mr. VAN WINKLE. On a 300,000 investment we are able to earn from $8,000 to $10,000 a year.

Mr. CLARK. How much per cent is that?

Mr. VAN WINKLE. That would be less than 8 per cent.

Mr. CLARK. Is it more than 7 per cent?

Mr. VAN WINKLE. I would have to stop to figure that out. Let us see. Yes; it would be.

Mr. GAINES. You have your figures wrong somewhere; either the amount you are calculating on or your percentage.

Mr. VAN WINKLE. I have not figured it out in per cent. We can earn from $8,000 to $10,000 at the rate we have been going in the last six months on a $350,000 investment.

Mr. GAINES. That would be 3 per cent.

Mr. CLARK. That is the nub of the whole business—what you have just said, "On the basis of the last six months," and the last six months are the worst six months anybody has seen in the United States in the last ten years. Is not that the honest truth?

Mr. VAN WINKLE. The honest truth is that business has been very dull in most lines.

Mr. CLARK. All manufacturing lines?

Mr. VAN WINKLE. I think there are some exceptions.

Mr. CLARK. In most of them. Now, take the best six months, say, in 1907. How much dividend could you make in those six months if you segregated what went before from what came after?

Mr. VAN WINKLE. We are selling our paper at as high a price as we can get for it, and under present conditions the imported paper will not allow us to get any more.

Mr. CLARK. But we have the gorgeous promise that everything is going to blossom like the rose from now on. [Laughter.]

Mr. VAN WINKLE. If it blossoms that way it will be all right. But it might not blossom. [Laughter.]

Mr. CLARK. If it does blossom according to programme, you will not need any increase of the tariff?

Mr. VAN WINKLE. Yes; there would be need of it, because the imported article would come in here cheaper than we could produce it.

Mr. CLARK. You made the first ever made in the United States?

Mr. VAN WINKLE. Yes; so far as I know, that is so.

Mr. CLARK. Why did you not go on and investigate the relation of things in Germany and Sweden to America under the Dingley rates before you went into it?

Mr. VAN WINKLE. We thought we did, but we were mistaken.

Mr. CLARK. Why did you not employ somebody to tell you?

The CHAIRMAN. Nobody could tell what the courts would hold. He could not employ that man in the United States. [Laughter.]

Mr. DALZELL. It is a question of classification.

Mr. CLARK. I know, but it is also a question of raising revenue.

The CHAIRMAN. If all parchment papers ought to be reduced, that would be a fair proposition?

Mr. VAN WINKLE. It would.

Mr. CLARK. If this man is making a fair profit, instead of marking up his the other fellow's ought to be marked down.

Mr. VAN WINKLE. I want to say that no man considers 3 per cent in manufacturing business a very good profit.

Mr. CLARK. I do not believe so, either, if that is what you got.

Mr. VAN WINKLE. No.

Mr. CLARK. You counted out interest and wear and tear before you commenced, and that dividend is "clear velvet," in the language of the street.

Mr. VAN WINKLE. Suppose there was an accident. You know one does not want to take too much risk in the manufacturing business. We might have an accident, or an explosion of a boiler, or things like that, that you could not have on a farm.

Mr. CLARK. No, but our teams might run off and destroy all the machinery and everything we have.

Mr. VAN WINKLE. I do not believe you can get anybody to put money in a 3-per-cent manufacturing industry.

Mr. CLARK. You just now stated that after counting out the interest and wear and tear of machinery you still had 3 per cent velvet.

Mr. VAN WINKLE. We did during the last six months.

Mr. CLARK. That is, during the worst time we ever saw you would get your interest and wear and tear and 8 per cent profit for the first six months?

Mr. VAN WINKLE. We do not think an interest charge on the investment in a manufacturing industry should be counted as part of the profit. You would not do that on a farm.

Mr. CLARK. That is precisely what we would do. The right way to cipher out what you can make as profit is first to count your interest on your investment.

Mr. CALDERHEAD. If that is right, I would have to give my wheat away. [Laughter.]

Mr. CLARK. Oh, no; you would not. You are raising wheat on that land out there at the rate of $125 an acre.

Mr. GRIGGS. Mr. Van Winkle, what salary do you pay to your president?

Mr. VAN WINKLE. We do not pay him a cent.

Mr. GRIGGS. Does anyone of your executive officers get a salary?

Mr. VAN WINKLE. Not excepting the general manager.

Mr. GRIGGS. What do you pay your general manager?

Mr. VAN WINKLE. We pay the general manager $2,500 a year.

Mr. GRIGGS. And you say the president gets nothing?

Mr. VAN WINKLE. The president gets nothing, and the secretary gets nothing, and no directors get anything at all, only their percentage of the dividends. If the mill earns anything, they get it; if not, they do not.

Mr. FORDNEY. Mr. Van Winkle, you do not feel under present conditions, with the tax on that imported article, that you have made a fair profit on your investment?

Mr. VAN WINKLE. That is it.

Mr. FORDNEY. And you want a fair protection to do that?

Mr. VAN WINKLE. Yes.

Mr. GRIGGS. Have you increased your stock since you have been in operation?

Mr. VAN WINKLE. No, sir. We have increased our debts, because we have had a lot of experimenting to do and a lot of new machinery to install; and until the last six months we did not make any money at all; in fact, we lost money.

BRIEF ON BEHALF OF THE HARTFORD CITY PAPER CO., HARTFORD CITY, IND., RELATIVE TO PARCHMENT PAPERS.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This statement or brief is submitted on behalf of the Hartford City Paper Company, organized under the laws of the State of Indiana and doing business in Hartford City, Ind., and involves the manufacture of paper, under Schedule M—pulp, papers, and books, and more particularly paragraph 398 of the act of July

24, 1897, as follows, the portion italicized being particularly under discussion:

Surface-coated papers not specially provided for in this act, two and one-half cents per pound and fifteen per centum ad valorem; if printed, or wholly or partly covered with metal or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; *parchment papers, two cents per pound and ten per centum ad valorem;* plain basic photographic papers for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or paper otherwise surface-coated for photographic purposes, thirty per centum ad valorem.

It is respectfully urged that the section above quoted should be amended so as to read as follows, the portion italicized being added thereto:

Surface-coated papers not specially provided for in this act, *grease-proof, imitation parchment, pergamyn papers which have been supercalendered, and rendered transparent or partially transparent, and commercially known as glassine, parchmyn, and japanin paper,* two and one-half cents per pound and fifteen per centum ad valorem; if printed, or wholly or partly covered with metal or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; parchment papers, *imitation parchment, grease-proof, pergamyn papers, and papers of a density sufficient to show blisters when subjected to heat,* two cents per pound and ten per centum ad valorem; plain basis photographic papers for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or paper otherwise surface-coated for photographic purposes, thirty per centum ad valorem.

The suggested amendments are descriptive of various grades of paper manufactured by the company on whose behalf this statement is made by other companies in the United States. These papers come into open and direct competition with the same class of papers now imported into this country, mostly from Germany and Sweden. The imported product, under a decision of the Secretary of the Treasury hereafter referred to, is dutiable at 25 per cent ad valorem under the italicized portion of the general provision of paragraph 402, as follows, the italics being ours:

Paper hangings and paper for screens or fireboards, *and all other paper not specially provided for in this act, twenty-five per centum ad valorem;* all Jacquard designs of one-line paper, or parts of such designs, finished or unfinished, thirty-five per centum ad valorem; all Jacquard designs cut on Jacquard cards, or parts of such designs, finished or unfinished, thirty-five per centum ad valorem.

It is contended that these papers, now being imported into this country under the commercial names of grease-proof, pergamyn, imitation parchment, No. 2 parchment, glassine, parchmyn, and japanin, and sold in competition with the same grade of paper manufactured here, should not be permitted to come in under the general classification as provided in paragraph 402, and that paragraph 398 should be amended as above suggested so as to clearly include these grades of paper in the classification of papers there described to which they are similar either in material, quality, texture, or the use to which they may be applied.

There are many reasons why this should be done, and we shall refer to some of them briefly:

Reasons for classification under paragraph 398.

1. Present construction: It was probably intended by the framers of the act, under the designation "parchment papers," to include all

other papers which, in point of either material, quality, texture, or uses to which they may be put, are similar to parchment papers. At the time of the passage of the act in question, imitation parchment, grease-proof, pergamyn, glassine, parchmyn, and japanin papers were not manufactured in this country at all and were but little used. However, it was evidently not the intention of Congress in framing the act of July 24, 1897, to give to the descriptive words "parchment papers" a narrow construction or to bring within their meaning only such papers as were made of a particular material or in a particular manner. That this is so is evident from section 7 of the same act, which we quote in full:

That each and every imported article, not enumerated in this act, which is similar, either in material, quality, texture, or the use to which it may be applied, to any article enumerated in this act as chargeable with duty, shall pay the same rate of duty which is levied on the enumerated article which it most resembles in any of the particulars before mentioned; and if any nonenumerated article equally resembles two or more enumerated articles on which different rates of duty are chargeable, there shall be levied on such nonenumerated article the same rate of duty as is chargeable on the article which it resembles paying the higher rate of duty; and on articles not enumerated, manufactured of two or more materials, the duty shall be assessed at the highest rate at which the same would be chargeable if composed wholly of the component material thereof of chief value; and the words "component material of chief value," wherever used in this act, shall be held to mean that component material which shall exceed in value any other single component material of the article; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article. If two or more rates of duty shall be applicable to any imported article, it shall pay duty at the highest of such rates.

In the case of United States *v.* Stone et al. (101 Fed. Rep., 713), decided February 9, 1900, by the circuit court of appeals, second circuit, this question was very briefly considered. The case arose on an appeal to the circuit court of the United States by Stone and others, who were importers, from a decision of the Board of General Appraisers affirming a classification for duty by the collector of certain imported merchandise.

It appears from the opinion of the district judge that "imitation parchment," "parchment No. 2" or "grease-proof wrapping paper," had been classified for duty under paragraph 308, Schedule M, of the act of 1894, at 30 per cent, as parchment paper. The importers protested, claiming that it was dutiable under paragraph 313 or under paragraph 310 of said act, as paper, or manufactures of paper not specifically provided for. The district judge held that the decision of the general appraisers should be reversed, and this decision was affirmed by the circuit court of appeals.

It should be noted that at the time this case was considered no paper of the kind designated as grease-proof, imitation parchment, or parchment No. 2 was being manufactured in this country and the decision was made wholly without reference to its effect upon manufacturers of the same class of paper here. Moreover, section 2499, Revised Statutes of the United States, 1878, was then in force and very similar in effect, if not in language, to section 7 of the act of 1897. We quote as follows:

There shall be levied, collected, and paid, on each and every nonenumerated article which bears a similitude, either in material, quality, texture or the use

to which it may be applied, to any article enumerated in this title as chargeable with duty, the same rate of duty which is levied and charged on the enumerated article which it most resembles in any of the particulars before mentioned; and if any nonenumerated article equally resembles two or more enumerated articles, on which different rates of duty are charged, there shall be levied, collected, and paid on such nonenumerated article the same rate of duty as is chargeable on the article which it resembles paying the highest duty; and on all articles manufactured from two or more materials the duty shall be assessed at the highest rate at which any of its component parts may be chargeable.

The effect of this section probably was not considered at all, and probably was not even called to the attention of the court in United States *v.* Stone, supra, for it is not referred to in any way by either of the courts that considered the question. From the language of the opinion of the district judge, it is perfectly apparent that the "imitation parchment," "parchment No. 2," and "grease-proof wrapping paper," the imported articles, were very similar in many particulars to the parchment papers referred to in section 308, Schedule M, of the act of 1894. With this admitted similarity, it seems probable that the court would have sustained the general appraisers in their decision to classify these importations as parchment papers if section 2499 had been referred to or considered in any way.

The Treasury Department, in decision No. 22163, followed the case of United States *v.* Stone, supra, and it has been the practice since that decision in 1900 to admit all these papers described as grease-proof, pergamyn, imitation parchment, glassine, parchmyn, and japanin under the general classification of section 402, act of 1897.

Since 1895 the above-described papers have been made in this country. The industry is new and, in view of the facts presented here, the case demands a new interpretation of the meaning of parchment papers and a consideration of the effect of section 7, supra, on the whole matter.

2. Parchment: A true parchment is the skin of a calf, sheep, or goat, prepared for writing on. Parchment papers, the term used in paragraph 398, should be given a broad construction and include all papers that are similar in appearance to the real parchment and derive their name from that fact. Grease-proof, pergamyn—one of the names of the imported grease-proof—and other papers manufactured by this company have many of the qualities of parchment papers and, while differing in name, are largely used for the same purposes.

3. Grease-proof: The grease-proof and parchmyn papers, which terms apply to all the papers manufactured by this company, in many cases are substituted for parchment paper; both our papers and parchment papers are largely used by meat packers in this country for the same purpose, viz, wrapping smoked meats, lining lard pails and tubs. They are also used interchangeably by grocerymen, bakers, confectioners, poultry packers, and soap manufacturers. Our papers are used because of the quality they possess of being practically impervious to greases. Parchment papers have the same quality.

4. Process of manufacture: Parchment paper which is used for the same purposes as the papers manufactured by this company is produced by subjecting paper known as "unsized" or "waterleaf," made

of cotton or sulphite fiber, or both in combination, to a bath of sulphuric acid, which renders it practically impervious to grease, while the paper manufactured by this company is rendered impervious to greases by treating the sulphite fiber from which it is made in such manner, by mechanical appliances, as to gelatinize it, making the resultant sheet of paper very dense, nonporous, and therefore practically impervious to greases.

5. Similarity in appearance: The papers manufactured by this company are not only used as a substitute for parchment paper in many cases, but they are so similar to it that it is often difficult, except by an expert, to detect any difference at all between them. Attached hereto are samples of our grease-proof paper, marked "Exhibit A," of imported grease-proof paper, marked "Exhibit B," and of parchment paper, marked "Exhibit C."

6. Requires skilled labor: The process of manufacturing the papers produced by this company requires the highest skilled and the highest priced labor used in the paper industry. The results obtained are the most perfect possible from the use of wood fiber.

7. Production limited: The care necessary to be used in the manufacture of these papers renders the production from a given unit of labor very small; therefore the cost of labor is a very important factor in the total cost of production.

8. Cost of production and labor cost: These papers are largely produced in Germany and Sweden, both of which countries export their product to this country where it is sold in competition with the same grades of paper manufactured here. Attached hereto as Exhibit G is a statement of the comparative cost of production of this class of paper, showing the cost of labor in German and Swedish mills to be about 42 per cent of the cost of labor in a mill of the same capacity in product to this country, where it is sold in competition with the same from which the paper is made is at least $10 per ton less to the German and Swedish mills than the price of American sulphite from which our paper is made.

9. Amount imported and American production: Effort has been made to obtain a correct statement of the amount of these papers imported into this country, but owing to the fact that they come in under the unclassified list, it has been impossible to obtain exact information. From the best information obtained—that is, from our knowledge of what is used by the large consumers and other information from the importers themselves, we believe that the amount exceeds 10,000 tons annually, all of which, representing a value of more than $1,000,000 per year, would be manufactured in the United States if adequate protection were afforded. It is certain, also, that the use of this class of papers is growing rapidly.

10. Cost delivered: On account of the low cost of labor and of raw material and the low cost of ocean freights, the Germans and Swedes are able to deliver this paper on the Atlantic and Pacific seaboards at a price varying from $10 to $15 per ton below our cost of production, as shown in Exhibit "H" attached hereto, which exhibit sets out the prices at which the foreign product has been purchased by New York importers from 1902 to 1908, inclusive. Exhibit "H" further shows that since 1905, when this company began the manufacture of these papers, the price of the foreign product, especially that

grade known as "Parchmyn" has been reduced an average of $10 per ton below the price at which it was offered previous to that year.

11. Synonymous terms: The terms "imitation parchment," "grease-proof," and "pergamyn" are synonymous terms, being simply trade names for the same grade of paper, and are applied to the grade of this paper which is nontransparent, and the terms "glassine," "parchmyn," and "japanin" paper are synonymous and are applied to the grade of this paper which is transparent. All of these papers are produced from the same basis, the transparent grade being the result of an advanced process to which the nontransparent base has been subjected.

12. Waxed or paraffined papers: At the present time we understand that all imported waxed or paraffined papers are classified and dutiable as surface-coated papers under paragraph 398. This class of paper is used interchangeably with glassine, parchmyn, and japanin papers by confectioners, bakers, grocerymen, packers, butchers, soap makers, and others for wrapping merchandise, where it is desirable to use a transparent paper for showing the contents of the package and a paper impervious to grease, to protect the customers' hands from the greases or fats of the contents of the package.

Attached hereto is Exhibit D, showing sample of waxed papers, and Exhibits E and F, showing samples of glassine, parchmyn, and japanin papers, all of which in many cases are used for identically the same purposes.

13. Process of manufacture: Waxed paper, made for the purposes above stated, is made of sulphite fiber and then coated with paraffin, which gives it a transparency and renders it partially impervious to water and greases. Glassine paper is made of the same material and rendered transparent and partially impervious to grease and water, as heretofore stated, by mechanical processes, and is preferred by many users for the reason it is not coated with paraffin and contains no oils, greases, nor chemicals, and because of its purity is an ideal food wrapper.

14. Classified as surface-coated papers: Since both classes of paper, viz, waxed paper and glassine, are not only similar in appearance, but are made from the same material and are used for the same purposes, they should therefore be classified the same as surface-coated papers, under the authority of section 7.

15. General: It will be noted that no request is made for an increase of tariff rates affecting the paper industry, but this grade of paper which is now being imported into this country and which comes in direct competition with the same grade of paper manufactured by this company and other manufacturers of the United States is now made dutiable under the unclassified list at 25 per cent ad valorem. We have shown that some grades of this paper are used interchangeably with parchment paper; that for many uses they are equally as good as the parchment paper. We have shown that other grades of this paper are used interchangeably with waxed papers, now classified as surfaced paper; that for many purposes they are as good as waxed paper and for many purposes very much better; that it requires an expert to detect the difference between the two classes of papers, and that the labor required to produce it must be as skillful and as expensive as that used to produce parchment paper. For these reasons it was the

evident intention of the Congress which passed this act that this paper should bear the same duty as the parchment paper and that it should be classified in paragraph 398, under Schedule M—pulp, papers, and books.

All of which is respectfully submitted to the consideration of the Ways and Means Committee of the House of Representatives.

HARTFORD CITY PAPER COMPANY,
By B. A. VAN WINKLE, *General Manager.*

Exhibit A, sample of imitation parchment, or grease-proof, made by Hartford City Paper Company.

Exhibit B, sample of imitation parchment, or grease-proof, imported from Germany.

Exhibit C, sample of parchment made in this country.

Exhibit D, waxed paper, classified as surface-coated paper under paragraph 398.

Exhibit E, sample of white glassine, parchmyn, and japanin paper, made by Hartford City Paper Company.

Exhibit F, sample of white glassine, parchmyn, and japanin paper, imported from Germany.

EXHIBIT G.

Cost of producing grease-proof and glassine papers, at Hartford City Mill, August 1, 1908.

The total labor cost in an American mill producing 8 tons of grease-proof and glassine papers is $169.99 per day.

The entire conversion cost, not including raw material, is $390.96 per day, or $48.87 per ton of production.

Bleached white grease-proof:	
Conversion cost per ton	$48.87
Sulphite	60.50
Sizing and G–P	1.60
Total	110.97
Bleached white glassine:	
Cost for paper, net	136.80
Cost for labor	5.81
Cost for rolls	2.55
Total	145.16

The above statement of cost of producing imitation parchment, grease-proof, pergamyn, glassine, parchmyn, and japanin papers in the mill of the Hartford City Paper Company are made up from the records as they appear upon the books of the company on August 1, 1908, and are true, as I verily believe.

B. A. VAN WINKLE,
General Manager.

EXHIBIT H.

Itemized statement of cost of making grease-proof and glassine papers in Klara Fors, Sweden.

The total labor cost in a Swedish or German mill producing 8 tons of grease-proof and glassine papers is $85.71 per day.

The entire conversion cost, not including raw material, is $261.91 per day, or $22.74 per ton of production.

Total conversion cost	$261.91
Conversion cost, per ton, based on 8 tons production	32.74
Cost of sulphite if produced at mill, per ton	28.00
Cost of sulphite if bought	35.00

Recapitulation of cost.

Cost of sulphite if produced at mill, per ton paper	$30.80
Cost of conversion	32.74
Sizing	1.50
Total cost	65.04

The above statement of cost of making grease-proof paper in the Klara Fors (Sweden) mill was given to the Hartford City Paper Company by one of the owners, and is thoroughly reliable.

EXHIBIT I.

Comparison of wages per day of paper-mill employees in Sweden and America.

	Sweden.	America.
Power plant:		
Engineers	$1.00	$2.75
Firemen	.82	2.00
Helpers	.75	1.75
Ash wheelers	.69	1.50
Coal wheelers	.62	1.50
Beater room:		
Beatermen	.75	2.25
Helper	.70	1.75
Do	.70	1.50
Machine room:		
Machine tender	1.15	4.00
Back tender	.75	2.00
Third hands	.70	1.50
Finishing room:		
Rewinder men	.75	1.75
Helpers	.60	1.50
Cutter man	.75	2.00
Helper	.60	1.50
Beam cutter man	.75	2.00
Helper	.60	1.75
Roll wrapper	.60	1.50
Girls	.40	.75
Boys	.40	1.00
Cutter man	.75	1.75
Box shop—Man	.60	1.50
Miscellaneous:		
Loaders	.60	1.50
Millwright	1.00	3.00
Helper	.75	2.00
Night watch	.60	1.50
Sunday labor, averages	3.00	6.24
Electricians	.75	2.40
Supercalenders:		
Calender men	1.00	3.46
Helpers	.75	1.50
Helpers	.60	1.75
Salaries:		
Superintendent, Manager, Cashier, Stenographers, Shipping clerk, Bookkeeper — Averages	23.40	27.00

Exhibit J.

Comparison of cost of producing grease-proof paper in Germany, Sweden, and America.

	Germany and Sweden.	America.
Cost of sulphite per ton	$30.80	$49.51
Cost of conversion	32.74	48.75
Sizing	1.50	1.50
Total conversion cost	65.04	99.86

Taking the unit of American labor cost as 100 per cent, the German and Swedish labor cost is 41.7 per cent.

Taking the unit of American cost for raw material (sulphite fiber) as 100 per cent, the cost of the German and Swedish raw material is 62 per cent.

Taking the total cost of American product as 100 per cent, the total cost of the German and Swedish product is 65 per cent.

Exhibit K.

Prices of glassine papers, f. o. b. Antwerp, reduced to American standard.

	Pfennig per kilo.	Cents per pound.
White glassine:		
1902	52½	5.5
1903, 1904, and 1905	50¾	5.5
1906	47	5.1
1907	47	5.1
1908	46	5.0
Natural glassine:		
1902	40¾	4.4
1903, 1904, and 1905	37½	4.1
1906	37	4.0
1907	36	3.9
1908	35	3.83
Colored glassine:		
1902	57½–61	6.3–6.7
1903, 1904, and 1905	54 –57½	5.9–6.3
1906	52 –55¾	5.7–6.1
1907	52 –55¾	5.7–6.1
1908	50¾–54	5.5–5.9

Prices of grease-proof parchment f. o. b. Antwerp or Gottenburg, reduced to American standard.

	Pfennig per kilo.	Cents per pound.
Grease proof:		
1905	37¾	4.8
1906	37¾	4.8
1907	41	4.4[illegible]
1908	36 $\frac{8}{10}$	4.2[illegible]

The above statements of cost were given by reliable importers from actual purchases made from various mills in Germany and Sweden, and fairly represent the range of prices during those years.

Reduction in the German and Swedish prices on grease-proof and glassine papers since 1905, in which year the Hartford City Paper Company began manufacturing these papers in the United States.

Price per pound f. o. b. Antwerp of white glassine in 1905, 5.5 cents; in 1908, 5 cents. Reduction since 1905, $10 per ton. Price per pound f. o. b. Antwerp of natural glassine in 1905, 4.1 cents; in 1908, 3.83 cents. Reduction since 1905, $6 per ton. Price per pound f. o. b. Antwerp of colored glassine, in 1905, 5.9 cents; in 1908, 5.5 cents. Reduction since 1905, $8 per ton. Price per pound f. o. b. Gottenborg of No. 1 grease-proof, in 1905, 4.8 cents; in 1908, 4.23 cents. Reduction since 1905, $11.40 per ton.

Costs of imported glassine paper compared to cost of producing same in the Hartford City Paper Company's mill, Hartford City, Ind.

White glassine of German manufacture costs the importer now $100 per ton f. o. b. Antwerp. Same grade of paper costs Hartford City Paper Company to manufacture $145.16. No. 1 grease proof, of Swedish manufacture, costs the importer now $84.60 per ton f. o. b. Gottenborg. Same grade of paper costs the Hartford City Paper Company to manufacture $110.97.

Comparative statement of f. o. b. cost, duty paid, under present valuation of white glassine paper, at Antwerp and at Hartford City mill, Hartford City, Ind.:

	Imported.	Domestic.
Selling price, per ton f. o. b., Antwerp	$100.00	
Duty, 25 per cent ad valorem	25.00	
Freight, Antwerp to Atlantic seaport, 10 cents per 100 pounds	3.20	
Insurance, commission, and cartage, 2 per cent	2.00	
Cost, per ton, at Hartford City mill		$145.16
Freight, Hartford City to New York, L. C. L		9.00
Total cost in New York under present classification	130.20	154.16

Comparative statement of f. o. b. cost, duty paid, under present valuation of grease-proof paper, manufactured at Gottenborg, Sweden, and at Hartford City, Ind.:

	Imported.	Domestic.
Selling price per ton, f. o. b. Gottenborg	$84.60	
Duty, 25 per cent ad valorem	21.15	
Freight, Gottenborg to Atlantic seaports, 20 cents per 100 pounds	4.00	
Insurance, commission, and cartage, 2 per cent	1.68	
Cost per ton of same grade at Hartford City mill		$110.97
Freight, Hartford City to New York, L. C. L		9.00
Total cost in New York under present classification	111.43	119.97

The above comparison is made on the highest grades of imported papers with the same grades of domestic papers. On lower grades of paper the difference in cost delivered in New York is still greater in favor of the imported papers.

THE PATERSON PARCHMENT PAPER CO., PASSAIC, N. J., THINKS THAT PRESENT RATES SHOULD BE RETAINED ON VEGETABLE PARCHMENT PAPER.

PASSAIC, N. J., *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: In view of the hearings on tariff revision now being held by your committee, we beg to respectfully submit the following:

First. The merchandise we produce is parchment paper, which is manufactured from an unsized paper made from cotton rags, and treated with sulphuric acid or other suitable reagent. Two processes are involved—making the unsized paper from cotton rags and parchmentizing with sulphuric acid. (Sample of each is attached hereto.)

Second. The paragraph of the present tariff act we are interested in is Schedule M, paragraph 398:

Surface-coated papers not specially provided for in this act, two and one-half cents per pound and fifteen per centum ad valorem; if printed, or wholly or partly covered with metal or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; parchment papers, two cents per pound and ten per centum ad valorem; plain basic photographic papers for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or paper otherwise surface-coated for photographic purposes, thirty per centum ad valorem.

Third. We respectfully petition that no reduction be made in the rate of duty now levied, but rather that it be increased; and that should a minimum and maximum rate be adopted, it would be necessary for the protection of our industry to have the present rate (2 cents per pound and 10 per cent ad valorem) a minimum rate. A higher rate of protection would be absolutely necessary should wages decrease in Germany at any time.

Fourth. Our reasons for asking that no reduction be made are that with lower tariff the foreign manufacturers will be able to compete with us in this market to such an extent as to seriously injure our business. The manufacturers in Germany are more numerous than they are in this country, produce a greater quantity, and have frequently within the past years made a practice of exporting to this country parchment paper at prices far below the price at which parchment paper is sold in our own markets. (In reference to this, see translation of letter in Papier Zeitung, attached hereto. The Papier Zeitung is published by Carl Hoffman, of Berlin, Germany.) Herein lies the principal danger to our industry; therefore any lowering of the duty would surely result in increased importations. It is possible to produce this paper much more cheaply in Germany, Belgium, and France than in this country, and protection to more than offset wages and other costs should be granted, for the reason that foreigners could otherwise sell at a sacrifice and make it impossible for American manufacturers to compete. It appears also that the German manufacturers of parchment paper have an association which controls prices in Germany, which enables the manufacturers the better to export at cost price or less, as they are released from ruinous competition at home. (See printed circular attached.)

The cost of labor enters very largely into our paper, for the reason that the paper goes through two processes before it is finished. In the first it is manufactured into an unsized paper from cotton rags, dried and put up into rolls; from the paper mill it is sent to the parchment mill, where the paper undergoes its treatment in sulphuric acid, thoroughly washed in water, dried again and finished, and either sold in plain sheets or printed sheets. So that it is readily seen that a very large part of the cost is labor, hence the necessity of our receiving full protection.

The industry in this country has been slowly advancing in the face of domestic and foreign competition. The Paterson Parchment Paper Company, of Passaic, N. J., was the first concern to successfully manufacture and sell parchment paper in this country, in 1885, and since then eighteen competitors have come into the market, of whom two survive, the others having been driven out mainly by the foreign competition; so that to-day the manufacturers of this paper are:

The Paterson Parchment Paper Company, Passaic, N. J.

The West Carrollton Parchment Paper Company, West Carrollton, Ohio.

The Glenn Mills Paper Company, Philadelphia, Pa.

The competition among these three concerns is brisk, so that there is no danger to the community at large of being compelled to pay more for the paper than it is worth. In this connection we wish to call your attention to the fact that when in 1885 The Paterson Parchment Paper Company first entered the market, the wholesale price of parchment paper was 27 cents per pound, which price has gradually been reduced by competition, as related above, until to-day the selling price wholesale is 8.64 cents per pound, f. o. b. mill. The labor cost is more apt to advance in the manufacture of paper for the reason that the labor unions are advocating three tours of work in the paper mills and, in a great many cases, have succeeded in obtaining this concession. So far as this has been tried out it has resulted in increased labor cost and, should the manufacturers of parchment paper be compelled to follow the lead of others, it will readily be seen that the cost of production will increase and that increased protection would be necessary.

Since the present tariff bill was passed the increase in wages has been, in the paper mill, 50 per cent, and in the parchment mill, 25 per cent. Other expenses have increased, also, notably lumber, building materials, wrapping paper, twine, fuel, etc.

It should be borne in mind also that the waste in manufacturing parchment paper can not be used again as paper, and is a loss which adds to the expense of manufacture.

Under the present bill the industry has more than doubled, so that now $1,630,000 are invested in it and about 560 people find employment, receiving $293,000 in wages annually.

This industry is still capable of considerable expansion, as parchment paper is not as universally used in this country as it is in Europe, provided adequate protection is granted to it.

We wish to call particular attention to the fact that the paper we manufacture is known in the trade as "Vegetable parchment paper," and it would perhaps be better to so describe it in the bill, even though the words "parchment paper," as contained in the present

bill, have been construed to mean paper produced by our process. There are other papers, especially writing papers, which are known as parchment and which are produced on the paper machine, requiring but one process, and they should be distinguished from vegetable parchment paper.

We would also point out the fact that so-called imitation parchment, glassine, parchmine, etc., are not in the same class as vegetable parchment paper, for the reason that they also are made directly on the paper machine in one continuous process and are not as valuable, mainly for the reason that only one-half of the labor is expended on them. We are of the opinion that it would be confusing to put imitations of parchment paper in the same clause as genuine parchment paper in the tariff bill, but should be covered by a separate clause.

We therefore earnestly petition your honorable body that they do not recommend a lower rate of tariff, and thus destroy whatever prosperity we have been enjoying for the past ten years.

The West Carrollton Parchment Paper Company and The Glen Mills Paper Company desired us to present this brief, and should therefore be considered as approving it.

Respectfully submitted.

THE PATERSON PARCHMENT PAPER CO.
WM. F. BRUNNER, *Vice-President.*

THE HARTFORD CITY (IND.) PAPER CO. FILES SUPPLEMENTAL BRIEF RELATIVE TO SULPHITE PARCHMENT.

HARTFORD CITY, IND., *December 7, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: At the time of our hearing on Schedule M—November 21—I made the statement to the committee that parchment paper was often made from sulphite fiber alone, and that it was sometimes made of a combination of cotton fiber and sulphite fiber. Sulphite fiber, as you doubtless know, is a wood product.

Mr. Elliott, who appeared before your committee on the same date in behalf of the importers and in opposition of our contention, made the statement that parchment paper (which he designated as "vegetable parchment") was made from cotton fiber, and held out the idea that it could not be made from wood fiber and that it was therefore a much more expensive paper to make than our paper.

I beg to call your attention to the inclosed copy of a letter which I wrote to Mr. Harry Zimmerman, who for several years was employed by the Friend Paper Company, of West Carrollton, Ohio, and had charge of their parchment department; also call your attention to a copy of a reply which I received from him under date of December 4 and attached samples of parchment paper which he says are made from sulphite fiber alone. Also you will note his statement that he can easily manufacture it from the sulphite fiber.

I am very sorry to take up so much of your time on this question, but it is vital to us. Our mill is now down for want of orders, and we can not meet the competition from the importers in the East, and of

course can not sell our goods at a higher price than they can buy the imported article for, and for that reason we are not able to keep our mill going.

Very truly, yours,

HARTFORD CITY PAPER COMPANY,
By B. A. VAN WINKLE,
General Manager.

EXHIBIT A.

NOVEMBER 28, 1908.

Mr. H. ZIMMERMAN, *West Carrollton, Ohio.*

DEAR SIR: We have again had occasion to think over the proposition of parchment paper, and remembering your visit to us during last February, we have been discussing whether or not you stated to us that vegetable parchment paper can be made from an exclusively sulphite stock. As the writer remembers your statement, you stated that the vegetable parchment can be made and often is made from a purely sulphite stock and that the use of cotton fiber is not absolutely necessary, and furthermore, that the use of it depended on whether or not cotton fiber was cheaper than sulphite fiber; in other words, that which of the two fibers they used depended upon the price. As you know, we are not in position here to use cotton rags, and if we should in future decide to make this paper we would necessarily have to make it from sulphite fiber base.

Awaiting your advices with interest, we beg to remain,

Very truly, yours,

HARTFORD CITY PAPER COMPANY,
By B. A. VAN WINKLE, *General Manager.*

EXHIBIT B.

KALAMAZOO, MICH., *December 4, 1908.*

HARTFORD CITY PAPER COMPANY,
Hartford City, Ind.

MY DEAR MR. VAN WINKLE: I received yours of the 28th addressed to me at West Carrollton, Ohio—same was forwarded to me at Kalamazoo, Mich.—contents carefully noted, and in reply wish to say that I will again give you the same proposition that I gave you last February. If you will remember, my proposition was that you add vegetable parchment paper with your parchmyn and glassine papers; in that way you would be manufacturing a full line of specialties for wrapping meats, lards, and butter; also for the canneries. I am sending you a few samples of vegetable parchment paper made from all sulphite pulp which I can manufacture with ease.

Now, Mr. Van Winkle, I can not quite catch the drift of your letter; you did not state in your letter, were you to take on the manufacturing of vegetable parchment, just who your vegetable-parchment man would be, and this being the case we can not be confidential as yet.

I would be much pleased to hear from you, and wish to say that I do not know of any party who would be able to take on the manufacture of vegetable parchment with a less outlay of money than the Hartford City Paper Company.

Very truly, yours,

HARRY. ZIMMERMAN,
1825 Center Street, Kalamazoo, Mich.

ENVELOPES.

[Paragraph 399.]

THE AMERICAN PAPER GOODS COMPANY, KENSINGTON, CONN., SUGGESTS NEW CLASSIFICATION FOR ENVELOPES.

KENSINGTON, CONN., *December 4, 1908.*

Hon. SERENO E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: In connection with proposed revision of the tariff we desire to call attention to the fact that duties prescribed in existing tariff, sections 397, 398, 399, and 402, in reality discriminate against the American envelope manufacturer in favor of the European.

There has been a constantly growing demand the past few years for envelopes made from high-glazed transparent papers, which papers are produced only in Europe, chiefly in Germany.

We have endeavored to supply this demand, but since the business has assumed large proportions have been decidedly hampered by the importation, chiefly from Germany, of the completed article.

The chief cost of these goods is the paper, admitted at present (section 402) as paper not otherwise specifically provided for at a rate of 25 per cent ad valorem, while the completed article is admitted (section 399) at a rate of 20 per cent ad valorem.

In making envelopes in the United States paper must of necessity be imported in sheets or rolls, and there is a loss in cutting the irregular shapes required often as high as 12 and 15 per cent and a further waste running often as high as 5 per cent in manufacture. On all this waste the American manufacturer pays the duty of 25 per cent, while the foreign manufacturer pays but 20 per cent on paper actually used in the completed article plus his cost of manufacture, which is smaller than ours, and selling profit.

Were suitable papers made in the United States, we should be glad to avail ourselves of this source of supply; but they are not, nor have experiments in this country turned out favorably, nor is there any inducement to the American paper maker to develop these grades of paper for envelopes so long as the German envelope is sold here cheaper than the German paper, and the American envelope manufacturer is unable to engage in the business. We, therefore, feel that in justice to domestic manufacturers of both paper and envelopes, the rate of the raw material should be compensated for by a duty on the manufactured article. On account of waste in cutting, running, and cheaper labor abroad, the rate on the manufactured article, to be really equitable, should be materially more than on the raw material.

Without knowledge of what the raw rates on paper will be, we therefore strongly recommend that section 399 be amended as follows:

Paper envelopes, plain, 20 per cent ad valorem; if bordered, embossed, printed, tinted or decorated 35 per cent ad valorem, plus an additional duty at the rate imposed on the paper used in their manufacture.

This gives us very little protection. Practically it simply gives us a chance to compete in the American market on even terms with the foreign manufacture.

We particularly feel the need of this provision at this time since applications are being made to increase the tariff and cost to us,

not only upon various grades of paper, but upon other materials which we are obliged to import, for example tapioca flour not made in this country at all. These applications it is impossible for us to be advised of in time, or in many cases successfully to oppose when we do learn of them. The only safe position for our industry is one where an increase in the tariff on our raw materials will, as here requested, carry a balancing rise in the tariff on foreign envelopes.

We have never asked for any discrimination in our favor, but respectfully submit that ourselves and others ought not to be discriminated against in favor of our foreign competitors.

Yours, truly,

THE AMERICAN PAPER GOODS CO.,
N. S. BACON, *Assistant Secretary.*

(The Continental Paper Bag Company, New York City, writes indorsing above letter.)

THE SEWELL-CLAPP MANUFACTURING CO. ASKS A HIGHER DUTY ON ENVELOPES THAN ON ENVELOPE PAPER.

CHICAGO, *December 7, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Our attention has been called to the fact that by the present tariff law a higher rate is in some cases imposed upon foreign-made paper brought into this country than on the envelopes made of such paper. This is a manifest injustice to the envelope manufacturers in this country and an evident discrimination against American labor. The American manufacturer must pay the higher rate of tariff on the paper wasted in process of manufacture, while the foreign manufacturer pays a lower rate of tariff on the paper actually used in making the envelopes only.

We respectfully represent that the tariff, in justice to American manufacturers of envelopes, should be so amended as to place upon foreign-made envelopes a considerably higher rate of duty than that laid upon the paper of which the envelopes are made.

The increasing use of envelopes made of imported papers makes this a matter of considerable importance to envelope manufacturers, and we respectfully recommend it to the attention of your committee.

Very truly, yours,

SEWELL-CLAPP MFG. CO.,
CLEMENT L. CLAPP.

HON. HARRY M. COUDREY, M. C., SUBMITS LETTER OF HESSE ENVELOPE AND LITHOGRAPH CO., OF ST. LOUIS, MO., RELATIVE TO THE DUTY ON ENVELOPES.

ST. LOUIS, *December 7, 1908.*

Hon. H. M. COUDREY, M. C.,
Washington, D. C.

DEAR SIR: As the Ways and Means Committee of Congress is at work revising the tariff, we think it but right and proper to call your

attention to certain facts existing under present tariff, which discriminates against the American manufacturer of envelopes in favor of European competition in sections 397, 398, 399, and 402.

In the past few years there has been a constantly growing demand for envelopes in this country made from certain papers which are produced only in Europe, chiefly in Germany.

The chief item of cost in the manufacture of envelopes is the paper. Take, for instance, a certain transparent high-glazed paper, which is now being used to a great extent in this country in the manufacture of envelopes, admitted at present (section 402) as paper not otherwise specifically provided for at a rate of 25 per cent ad valorem, while the completed envelope (section 399) is admitted at a rate of 20 per cent ad valorem.

In manufacuring envelopes it is necessary to import this paper in sheets or rolls, and in cutting the irregular shapes for envelopes there is a loss in cutting of from 12 to 15 per cent, and a further loss in waste in running through machine of about 5 per cent. On all this waste the American manufacturer pays a duty of 25 per cent, while the foreign manufacturer only pays 20 per cent on the actual amount of paper used, paying nothing on the waste, which we are obliged to figure in the cost of our product.

Of course, we do not know what the revised rate on paper will be when the committee gets through with it, and without this knowledge we suggest, recommend, and urge that section 399 be amended as follows:

Paper envelopes, plain, 20 per cent ad valorem; if bordered, embossed, printed, tinted, or decorated, 25 per cent ad valorem plus an additional duty at the rate imposed on the paper used in their manufacture.

We believe the above to be only fair to the American manufacturer, whose cost of labor and other expenses are much higher than in foreign countries.

We particularly feel the need of this provision at this time, since applications are being made to increase the tariff on other materials used by us in the manufacture of envelopes. Tapioca flour, for instance, which is not made in this country at all and which is probably the next greatest item in the manufacture of envelopes outside of labor. This is not a luxury, and, as stated, can not and is not being produced in this country. Why, then, should a duty be placed upon it?

We know the committee wants to learn the facts and will make such recommendation as will protect American manufacturers and at the same time work no hardship on the people of this great country.

Yours, truly,

HESSE ENVELOPE AND LITHO. CO.,
F. H. HESSE, *President and Treasurer.*

PERFORATED LABELS.

[Paragraph 400.]

THE ARTHUR C. HARRIS CO., NEW YORK CITY, ASKS FOR MAINTENANCE OF PRESENT DUTIES ON PERFORATED LABELS.

NEW YORK CITY, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish to lay before you the facts concerning an industry which, while not of national importance in itself, is nevertheless well calculated to represent certain phases of the tariff question.

We are practically the sole manufacturers in this country of perforated silver tickets used in the put-up of fine cotton cloths. We are facing a keen competition from England and Germany, where the hand labor, which is a large factor of cost, can be had at about one-third of the American standard wages. When you consider that the raw material, i. e., silver-laid paper, has to be imported, you will readily appreciate that an average duty of 40 per cent on labor which is practically 66⅔ per cent cheaper than ours is not prohibitory to the foreigner.

The main argument which is left us is quicker deliveries and more careful attention to orders than the foreigner can give.

To sum up, as it affects perforated work on silver or other metal papers, the tariff ought to be maintained at least on the finished product, while the duty on metal-covered papers might be lowered.

Very truly, yours,

ARTHUR C. HARRIS COMPANY,
ARTHUR C. HARRIS, *President.*

CHILDREN'S BOOKS.

[Paragraph 400.]

CERTAIN IMPORTERS OF CHILDREN'S TOY BOOKS REQUEST A REDUCTION OF THE DUTIES THEREON.

NEW YORK CITY, *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives.

SIRS: On behalf of importers of children's toy books (Raphael Tuck & Sons Company, Kaufmann & Strauss, E. P. Dutton & Co.) I respectfully request a reduction of the duties now provided in paragraph 400 of the tariff act for children's books containing illuminated lithographic prints.

The duty provided in the present act is 8 cents a pound. This amounts, as will be shown by figures subjoined, from 45 to 62½ per cent ad valorem. These books were formerly imported in large quantities. The present tariff is so high that it has driven the imported article from the market, and thus deprived the United

States of considerable revenue which it obtained from this class of goods prior to the enactment of the Dingley tariff. It has also enabled the American manufacturer to raise his prices on this class of goods and increase the cost to the consumer. We respectfully ask for a reduction of the duty from 8 to 5 cents a pound. The reduced duty proposed would average from 28 to 40 per cent ad valorem, which would be, we submit, a sufficiently high duty upon this class of goods to produce a substantial revenue and permit the importation of foreign books, which represent a higher quality of artistic work than the corresponding domestic article.

The firm of Raphael Tuck & Sons Company have, by reason of the prohibitory tariff on these goods, if imported, been having them made here by a well-known domestic manufacturer, and it has been found that the price of the article here is about equal to the price of the corresponding book in Germany, so that the domestic manufacturer needs no protection.

I submit herewith Exhibit 1, which consists of six toy books marked respectively "A," "B," "C," Ca," "D," and "E." These books are all printed here with the exception of "Ca," which is printed abroad and which if compared with the others will show the superior quality of the foreign work. The following is a statement of the foreign cost and the landed cost here (exclusive of freight, etc.) of the corresponding foreign article, the rate of duty on the basis of the present law, and the selling price of the domestic book.

	Foreign price.	Equivalent in United States currency.	Duty.	Total landed cost (exclusive of freight, etc.).	Ad valorem equivalent of specific duty.	Selling price of American article per 1,000.
	Marks.				*Per cent.*	
A—2-penny toy books...	50	$12.00	80 pounds, at 8 cents per pound, $6.40.	$18.40	53⅓	$12.85
B—3-penny toy books...	65	15.60	100 pounds, 8 cents per pound, $8.	23.60	51⅓	14.58
C—4-penny toy books...	90	21.60	150 pounds, at 8 cents, $12.	33.60	55⅝	31.25
D—6-penny toy books..	155	37.20	210 pounds, at 8 cents, $16.80.	54.00	45	37.22
E—Shilling toy books...	280	67.20	526 pounds, at 8 cents, $42.08.	109.28	66⅔	66.67

In view of the foregoing we respectfully submit that the rates are too high, and that the American manufacturer needs no such protection, nor in fact any protection. We ask that the duty be reduced from 8 cents to 5 cents. If this is done the specific duty will be an equivalent ad valorem to the following percentages for these books: A, 33⅓ per cent; B, 32 per cent; C, 34¼ per cent; D, 28¼ per cent; E, 40 per cent.

We submit that these proposed rates would be quite as high as ought to be imposed on these goods. They will bring in a substantial revenue to the Government, enable the importers to bring in these goods, and by competition with the domestic manufacturer reduce the price to the consumer, and will afford the manufacturer all the protection that he needs or ought to have.

There is no reason why the duty on toy books should be made higher than on toys generally, which are subjected to a duty under

the present act of 35 per cent. We do not suggest this rate, because experience has shown that it is better to preserve the specific duty system and avoid all questions of undervaluation.

W. WICKHAM SMITH.

LITHOGRAPHIC PRINTS.

[Paragraph 400.]

IMPORTERS AND DEALERS IN DECALCOMANIA OR LITHOGRAPHIC TRANSFERS RECOMMEND NEW CLASSIFICATION.

NEW YORK CITY, *November 18, 1908.*

The HONORABLE WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: On behalf of the importers and dealers of decalcomania, or lithographic transfers, we herewith beg to present our views on the rate of duty for the consideration of your committee as to the classification for duty purposes under the tariff to be promulgated.

A brief résumé of the tariff history of this merchandise may be instructive in the light of argument, pro and con, which will be advanced on this subject by your committee.

Ever since the decalcomania, or lithographic prints, were introduced into this country for the decoration of china and earthen ware, as well as numerous other materials, these lithographic prints have been properly classified under paragraph 400 of the Dingley tariff and previously under the Wilson tariff as lithographic prints from stone, zinc, alluminum, etc., at the rate of 20 cents per pound, net weight. This rate was the subject of a distinct understanding between foreign and domestic dealers on these goods at the time the present tariff was being framed, as per evidence before the Ways and Means Committee. These decalcomania, or transfer pictures, are known throughout the trade as lithographic prints, and manufacturers of these decalcomania in Europe style their firms as lithographic establishments.

Decalcomania is a form of a lithographic print now used very extensively in the decoration of pottery and other materials the world over. The name decalcomania does not indicate the real difference in any essential feature from the term "lithographic print," and the only difference between decalcomania and the common lithographic prints lies in the fact that a decalcomania is printed on gummed paper, so that it may readily transfer from the sheet on which it is printed to some other object. It may be said right here that this gummed paper is not a surface-coated paper, neither in a technical nor commercial sense, because a surface-coated paper has a permanent surface coating, while the gummed paper which is used for the decalcomania has the gum coating only for the purpose of transferring the lithographic print thereon upon the object, as aforesaid.

Before the adaptation of decalcomania to pottery decoration pottery was decorated with so-called "printed and filled-in" patterns, i. e., the outline of a pattern was engraved on a copper plate and from

same, with the aid of printing paper, transferred upon the ware, and colors were then applied to this outline or design by a brush in the hands of a workman. This process has become obsolete since the introduction of decalcomania. The colors are now all printed and the pattern made complete in all colors on the paper, and from this paper the pattern is transferred by one process to the ware. This reduces to a considerable extent the cost of hand labor required in pottery decoration, and since hand labor is and always has been much more expensive, and skilled labor particularly so much harder to obtain in America than in those European countries where pottery has been made for many years, it was decalcomania which has placed the American potter in a position to compete with the imported foreign goods.

From the time when pottery was decorated in this country until 1899 or 1900, the above-described process of printing and filling in by hand with colors was the only method of decorating used by the American potter, and all the materials, as printing paper and ceramic colors, necessary for the decorating, were imported. By adapting decalcomania and importing same from Europe, the potter is practically importing the same materials which he formerly imported, eliminating the high cost for skilled labor, and thus enabling him to compete against foreign importers of china, not to speak at all of the higher artistic standard of decalcomania compared with printed and filled-in patterns. At the time the Dingley bill was formulated there were decalcomania transfers imported from Europe, but only for use on other materials, not on pottery. Therefore ceramic decalcomanias are not specifically mentioned in that bill. It was only about 1900 that the use of decalcomania became quite general with the potters, and since then it has become almost a universal process of applied colors in pottery decoration. With the growth and development of the pottery industry, the importations of decalcomania grew readily, and for some years there was no question raised as to the propriety of classifying it as lithographic prints under paragraph 400. When decalcomanias were first used by the potters, there was absolutely no manufacturer in this country, but there were a large number of such establishments in England, France, and Germany employing a large corps of artists in designing their patterns, and the work of these artists was therefore made available for the use of the American potters. Naturally decalcomania took the place of the raw materials the potter had previously imported in the form of pigments, colors, and printing paper.

Now, if this material had been specifically mentioned along with lithographic prints in paragraph 400, no question would or could ever have been raised as to the propriety of that classification; but because decalcomania is nowhere mentioned, the opportunity was given to the American lithographers who later began to manufacture this material, to raise a technical question and to seek the classification of the decalcomania under some schedule paying a higher rate of duty than lithographic prints. Repeated efforts have been made, particularly by one domestic manufacturer of decalcomania, to have these reclassified, first, as cigar labels; second, as manufactures of metal at 45 per cent ad valorem; third, as manufactures of paper at 35 per cent ad valorem; and fourth, as surface-coated paper at 20 per cent ad valorem and 3 cents per pound, and this is the present

rate of duty assessed on these goods. The higher rate of duty was sought by the above-mentioned domestic manufacturer in spite of the fact that he has repeatedly and in many cases been able to sell his goods at a lower price than the imported article could be offered. It is a notorious fact, and the leading American pottery manufacturers will offer testimony to the effect, that the American manufacturers of the decalcomania do not and can not obtain as high a price for their decalcomania as the foreign importers on an average, for the reason that the American decalcomanias have been confined almost exclusively to the cheap lines and to copies of the foreign designs. In decalcomania, as in every other line of applied art work, originality commands a price.

While no doubt it would be possible to have produced a limited number of original designs in this country, yet there is by no means available here the great body of artists who are seeking commercial employment in Europe.

In this connection it may be mentioned that in all instances where the domestic manufacturer offers his goods at a lower figure than we have been able to sell them and where his decorations have been copies of our patterns, the importers and dealers in these goods were subjected to a very severe loss, because the importers had to pay the European manufacturers for all the expense connected with the creation of these decorations.

As above stated, these decalcomanias are lithographic prints and nothing but lithographic prints and can not be considered as anything else, and in support of this contention we beg to refer to the following Treasury and Appraisers' decisions:

Treasury decision 24748; Treasury decision 25312, paragraph 1486; Treasury decision 25385, paragraph 1868; Treasury decision 25482, paragraph 2353; Treasury decision 24827; Treasury decision 1765; General Appraisers 3700; Treasury decision 17669; Treasury decision 17897; Treasury decision 25863; General Appraisers 5873; Treasury decision 25676, paragraph 3723; General Appraisers 5445; Treasury decision 25848; General Appraisers 5459—

And therefore claim and maintain that the present reclassification of lithographic transfers as surface-coated paper is erroneous and absolutely misleading.

Surface-coated paper is a material produced from ordinary mill paper and covered with coloring matter intended to remain permanent on the paper, and is used for binding, covering, and general manufacturing purposes, and the term "surface-coated paper" is never used to apply to lithographic work, as the application of color is not obtained by means of a lithographic stone.

This reclassification obtained by the domestic manufacturer was based upon a court decision rendered in the absence of any contesting testimony, in the absence of the importing interests, no evidence having been furnished by the importers. At the hearings before the Board of General Appraisers no witness produced by the Government had other than a "general knowledge" of what a decalcomania was, with one exception—the treasurer of the American Lithographic Company, who stated, speaking from forty years' experience, that "decalcomania process is a lithographic process entirely, although the prints are generally known as decalcomanias."

We importers are confident that if we would have had any knowledge of the proceedings before the court in Philadelphia and if we would have offered our testimony, that the decision of the court would have been to the effect that decalcomanias are lithographic prints; however, we are contemplating an appeal to a higher court, but since a new tariff bill appeared imminent, we decided to let the matter stand until we could submit our side of the case to the Ways and Means Committee.

"Surface-coated paper" and "decalcomania," both articles have a well-defined commercial meaning. Decisions of the court have been uniform in holding as a settled rule of construction of revenue laws that the duty to be imposed on an article is according to the designation of such an article as understood and known in the commerce of the United States and not with reference to the materials of which it may be composed or to the use to which it may subsequently be put.

As said above, these decalcomanias are lithographic prints from stone, which can be proven beyond doubt by explaining the method of manufacture, the process being identically the same as in the manufacture of lithographic prints provided for in paragraph 400, as the following will illustrate:

The intended floral or figure designs are first produced by artists in the form of a water-color sketch; this sketch is then turned over to the lithographer, who, following the general lithographic process, will make the drawings provided for each color on lithographic stone. When all the drawings are completed, the stones are etched in the same manner as applied to all lithographic processes, and then from the stones so prepared impressions are taken and are transferred to large lithographic stones, which are used in the lithographic press for printing. The process of printing is exactly the same as the process used for printing every lithographic picture, and the same machines are used here in America as well as in Europe.

We submit samples showing the procedure which is followed in the manufacture of those prints in the different stages of color application, and we also submit samples of lithographic prints and decalcomanias showing the same design. Both are printed from the same stone. The lithographic print or chromo is printed with ordinary printing colors, while decalcomania is printed with ceramic colors, but they are both printed from the same stone, and neither technically nor commercially is there any difference between the two lithographic prints.

In consideration of the above facts, we think that there can not be any doubt that decalcomanias are lithographic prints and should be assessed as such when imported, and it is the desire of the importers and dealers in decalcomania to have these goods specifically mentioned under the head of lithographic prints, for the purpose of avoiding, in the future, disputes as to the classification of these goods, which disputes not only handicap the importers, but which have proven a serious drawback to the consumers of our goods, mainly the American potters, who are the principal users of this raw material.

While we admit the contention that the domestic producer should be protected as far as possible, the American potters have always looked, and are now looking, to the importers for their decorations, for the reason of their variety and their artistic conception and being the outcome of the combined talents in Europe of artists employed by

the European decalcomania manufacturers and in the foremost European china factories. The ideas and suggestions offered by these foreign artists have enabled the importers of foreign decalcomanias to give to American potters the immediate benefit of European talent and art for application on their own wares, thus enabling the American potter to enter into immediate competition with the imported article. Should these decorations be excluded in the future by reason of an excessive tariff, it will mean a severe setback for the American potters, as they will no longer be able to compete with the foreign product, and any increase in duty on the decalcomania, which increase would immediately be followed by a proportionate increase in the price of the domestic article, would reduce the protection of staple productions in the pottery line, for which there is a most popular demand. Such an increase in duty on decalcomania would afford greater advantages for the importation of foreign goods, thus defeating the principle of protection for the benefit of a comparatively small industry, employing at the utmost 100 people, at the expense of crippling an industry employing 25,000 people and involving a yearly output of about $18,000,000.

It is a matter of common knowledge that conditions for some years past have been adverse to the American pottery industry. It has been confronted by conditions in foreign competition that were not foreseen ten years ago. It is a safe assertion that the opportunity afforded him to use foreign decalcomania transfers, thus greatly improving the style and variety of his decorations, is the only important thing that has kept him in the market with comparative success against a most vigorous and aggressive foreign competition.

Just at this time the American potters are entering into a new field, developing their goods technically and artistically by making translucent wares, equal in quality to the European china, and, furthermore, by producing fancy specialties besides the common staple goods. It is imperative and absolutely necessary for the American potters that their future goods are decorated as perfectly and artistically as the European goods, and in order to do so the American potter absolutely needs the foreign decalcomanias, made by the same artist who produces the decorations for the European china factories. No greater hindrance could be thrown in his way to the front than by laying a prohibitively high duty on the most important raw material which he uses to-day.

The foregoing, perhaps, represents the sentimental reasons why decalcomania transfers should be brought in under a favorable duty regarding them as an essential raw material in the manufacture of American pottery, but, aside from this, decalcomania is in the strictest technical sense a lithographic print, and altogether aside from any interest the American potter may have in this subject, it is entirely consistent and proper that decalcomania transfers and lithographic prints should be assessed an identical duty.

Therefore in conclusion of the above we respectfully beg to submit our argument, resting briefly upon the two facts: First, a printing from a lithographic stone can be nothing but a lithographic print, no matter to what purposes that printing may be applied subsequently to the impressions being taken upon some yielding surface; second, these lithographic prints are the most important and essential

raw material used solely by the American pottery manufacturers, and as such should receive a favorable consideration when embodied in a new tariff act.

Respectfully submitted.

THE COMMITTEE OF IMPORTERS AND MANUFACTURERS OF DECALCOMANIA TRANSFERS.
CERAMIC TRANSFER CO.,
21 Washington Place, New York.
RUDOLF GAERTNER,
299 Broadway, New York.
THE PALM BROS. CO.,
OTTO PALM, JR., *President,*
148 Chambers St., New York.

EDWARD P. NORTH, NEW YORK CITY, SUGGESTS A DUTY OF ONE CENT EACH ON IMPORTED POST CARDS.

NEW YORK CITY, *November 18, 1908.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee.

DEAR SIR: I am a dissatisfied, would-be consumer under what I consider an injustice to Americans in the present tariff law.

I have friends in Europe who send me picture postal cards. The Italians send me postals made in Italy, the French those made in France, and the British those made in England.

When I wish to return the compliment I am forced to send something "made in Germany." This discrimination against the art of my country I object to essentially.

The difficulty is said to lie in the fact that cards made in Germany, due to the low wages of lithographers there, are cheaper than those made in this country.

As ornamental postal cards are a luxury, and as such palpably subject to a revenue tax, I hope your honorable committee will see its way clear to impose a specific duty of 1 cent each on lithographed or otherwise ornamented postal cards. Then your petitioner will be able to return the civilities of his European friends with pride and pleasure.

Very respectfully submitted.

EDWARD P. NORTH.

THE CROXALL CHEMICAL AND SUPPLY COMPANY, EAST LIVERPOOL, OHIO, ASKS TO HAVE DUTY REMOVED FROM DECALCOMANIA TRANSFERS.

EAST LIVERPOOL, OHIO, *November 18, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We beg to respectfully call your attention to the schedule under which decalcomania transfers used by pottery manufac-

turers are scheduled. The Dingley bill provided for a specific duty of 20 cents per pound. These goods have been brought into this country under this ruling until August last, when the same was changed by an order from the court in Philadelphia.

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The judge decided that they were surface-coated papers, and duty has been paid under protest on shipments arriving since that time.

* * * * * * *

These decalcomania transfers can only be construed as raw materials. It is necessary for them to go through a process with the American potter before they are a finished product. To deprive the American pottery manufacturer of the privilege of going abroad and procuring the works of the old masters to decorate his ware in competition with the European pottery manufacturer would be more deplorable or equally so at least than a reduction in the present tariff schedule on pottery.

The pottery business of this country is one that every American citizen can feel proud of. It is rapidly growing notwithstanding the fact that but very few have made any money in the past several years owing to the still keen competition with the European potters. You will therefore see that to deny him of the privilege of using the European transfers to decorate his ware to compete with the foreign potters would be most disastrous in its results as it is the decorated effect which eventually sells the goods.

The decalcomania transfer industry is insignificant and of very small importance in comparison with the enormous interests in the pottery industry. The total output of decalcomania transfers would not exceed in value the output of one fair-sized pottery.

We believe that every effort will be made by European pottery manufacturers, especially the Germans, to see that a high tariff is placed on decalcomania transfers so that the American potter can not afford to use the foreign article, and consequently cripple him in his own market in competition with the German goods.

In support of this belief we are in receipt of a communication from Germany from a confidential source, the original of which we would be pleased to submit to your honorable body, in which they inform us that a movement has been started to increase the duty on decalcomania by German potters in the United States, as they fear that the American potters are becoming more serious competitors to them, especially by means of the high-classed decalcomania of which they are large consumers and obtain the choicest selections, and that they have succeeded in inducing the German Government to advocate a high duty on decalcomania, and will have the assistance of importers of china ware in this country.

In conclusion we sincerely trust that this matter will be thoroughly looked into, feeling confident that you will realize the importance of keeping this under the schedule as provided for in the Dingley bill, namely, at 20 cents per pound, and that to increase the duty on this article would be a gross injustice to the mammoth American enterprise such as this pottery business is.

Very respectfully,

J. T. CROXALL,

FOR CROXALL CHEMICAL AND SUPPLY COMPANY.

STATEMENT OF GEORGE R. MEYERCORD, CHAIRMAN TARIFF COMMITTEE OF THE NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS, CHICAGO, ILL.

SATURDAY, *November 21, 1908.*

Mr. MEYERCORD. Mr. Chairman and members of the Ways and Means Committee, I represent the tariff committee of the National Association of Employing Lithographers, representing over 350 factories, employing a capital of over $50,000,000, and employing over 20,000 workmen, and desire to present the necessity of radical changes regarding the import duties on lithographic products of all descriptions.

The paragraphs of the present law affecting the lithographic industry are 398 and 400, which read as follows:

398. Surface coated papers not specially provided for in this Act, two and one-half cents per pound and fifteen per centum ad valorem; if printed, or wholly or partly covered with metal or its solutions, or with gelatin or flock, three cents per pound and twenty per centum ad valorem; parchment papers, two cents per pound and ten per centum ad valorem; plain basic photographic papers for albumenizing, sensitizing, or baryta coating, three cents per pound and ten per centum ad valorem; albumenized or sensitized paper or paper otherwise surface coated for photographic purposes, thirty per centum ad valorem.

400. Lithographic prints from stone, zinc, aluminum, or other material, bound or unbound (except cigar labels, flaps, and bands, lettered or otherwise, music and illustrations when forming a part of a periodical or newspaper and accompanying the same, or if bound in or forming a part of printed books, not specially provided for in this act), on paper or other material not exceeding eight one-thousandths of one inch in thickness, twenty cents per pound; on paper or other material exceeding eight one-thousandths of one inch and not exceeding twenty one-thousandths of one inch in thickness, and exceeding thirty-five square inches, but not exceeding four hundred square inches cutting size in dimensions, eight cents per pound; exceeding four hundred square inches cutting size in dimensions, thirty-five per centum ad valorem; prints exceeding eight one-thousandths of one inch and not exceeding twenty one-thousandths of one inch in thickness, and not exceeding thirty-five square inches cutting size in dimensions, five cents per pound; lithographic prints from stone, zinc, aluminum, or other material, on cardboard or other material, exceeding twenty one-thousandths of one inch in thickness, six cents per pound; lithographic cigar labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material, if printed in less than eight colors (bronze printing to be counted as two colors), but not including labels, flaps, and bands printed in whole or in part in metal leaf, twenty cents per pound. Labels, flaps, and bands, if printed entirely in bronze printing, fifteen cents per pound; labels, flaps, and bands printed in eight or more colors, but not including labels, flaps, and bands printed in whole or in part in metal leaf, thirty cents per pound; labels, flaps, and bands printed in whole or in part in metal leaf, fifty cents per pound. Books of paper or other material for children's use, containing illuminated lithographic prints, not exceeding in weight twenty-four ounces each, and all booklets and fashion magazines or periodicals printed in whole or in part by lithographic process or decorated by hand, eight cents per pound.

We ask that section 400 be amended to read as follows—this is the proposed amendment to paragraph 400:

Lithographic prints, from stone, zinc, aluminum, or other material, bound or unbound, not elsewhere specified, and any article made up in chief value of lithographic prints.

These are additions to that particular part of the paragraph. The object of this is to take any ambiguity out of the law.

The CHAIRMAN. I think the word "and" should be used in place of the word "or," as the court might interpret that to involve all those items.

Mr. MEYERCORD. It reads:

and any article made up in chief value of lithographic prints.

The CHAIRMAN. I mean in the first clause "or other material" should read "and other material." You read it, "lithographic prints, from stone, zinc, aluminum, or other material." The court might construe that to involve all of those items before collecting any duty.

Mr. MEYERCORD. I thank you for the suggestion, Mr. Chairman.

The schedule is:

	Rate of duty (cents per pound).
On paper or other material not exceeding $\frac{4}{1000}$ inch in thickness	30
If embossed or die cut	33
If both embossed and die cut	36
Exceeding $\frac{4}{1000}$ inch and not exceeding $\frac{8}{1000}$ inch in thickness	20
If embossed or die cut	22
If both embossed and die cut	24
On cardboard or other material exceeding $\frac{8}{1000}$ inch in thickness	12
If embossed or die cut	13
If both embossed and die cut	14

It then goes on with the former schedule. "Lithographic cigar labels" we have changed to read "lithographic labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material."

We have eliminated the word "cigar" and have made it read "lithographic labels," the reason for that being that perfume labels, etc., produced under the same general method of manufacture receive only 2 per cent or 3 per cent protection under the Dingley law. On account of the fact that they are very small and high class and in every respect identical in manufacture to the cigar label, we eliminate the word "cigar" and make it read:

Lithographic labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material.

The schedule itself reads:

	Rate of duty (per pound).
Labels and flaps, if printed in less than 8 colors (bronze printing to be counted as three colors), but not including metal leaf printing	$0.30
Bands printed in less than 8 colors (bronze printing to be counted as three colors), but not including metal leaf printing	.60
Labels and flaps printed in 8 or more colors (bronze printing to be counted as three colors), but not including metal leaf printing	.40
Bands printed in 8 or more colors (bronze printing to be counted as three colors), but not including metal leaf printing	.80
Labels and flaps printed in whole or in part in metal leaf and not over five additional printings	.50
Labels and flaps printed in whole or in part in metal leaf and over five additional printings	.75
Bands printed in whole or in part in metal leaf and not over five additional printings	1.00
Bands printed in whole or in part in metal leaf and over five additional printings	1.50
For any embossed label, flap, or band add	.10

The CHAIRMAN. That is doubling the duty, generally?

Mr. MEYERCORD. That will be explained later, Mr. Chairman.

The CHAIRMAN. I ask you if that is not a fact, that it is doubling the duty?

Mr. MEYERCORD. In some instances and not in others.

The CHAIRMAN. I hope you will explain what effect that would have on the industries which use these things.

Mr. MEYERCORD. Yes, sir.

Decalcomania transfers: Ceramic prints on simplex paper, $2.50 per pound.

It might be well for the committee to see a sample.

The CHAIRMAN. We understand about that. That is not a new subject.

Mr. MEYERCORD:

Ceramic prints on duplex paper, 70 cents per pound.

Simplex is the single sheet. Duplex is the double sheet in the form it is printed [exhibiting sample].

Decalcomania transfers backed with metal leaf, 70 cents per pound.
All other decalcomania transfers, 45 cents per pound.

Here is an amendment to the present schedule which reads:

If any article in schedule is manufactured of lithographic prints of different thicknesses, the major portion in size shall control the rate.

The object of that is, sometimes there are two types of lithographs pasted together—one is thin stock and the other thick stock—and they come within different divisions of the schedule on account of the unit of thickness. We take the major portion in size as the dividing line as to which class it shall come under. The object of that is to prevent any ambiguity in the schedule or in the classification.

A further recommendation which we make reads:

We recommend that paragraph 398 be amended to exclude all papers printed by lithographic process, so that all lithographic products will fall within the purview of paragraph 400 as amended herein.

There have been numerous court decisions and great confusion as to paragraph 400. It is probably one of the most confusing paragraphs to interpret in the entire Dingley tariff act. We seek to eliminate that confusion and bring every item of lithography under the purview of paragraph 400.

The CHAIRMAN. How much would that increase the duty?

Mr. MEYERCORD. That would be about a stand-off, in some cases lowering and in some cases raising the duty. You might cite instances where paragraph 400 will even apparently double the duty, will put some items at a very small ad valorem and other items at a prohibitive rate; but the general intent is to clarify the air in the sense of seeking to adhere to practically a uniform standard of protection.

The CHAIRMAN. Why not bring those items in under paragraph 398?

Mr. MEYERCORD. Simply because there are provisions here that cover them in paragraph 400, under eight one-thousandths of an inch in thickness. In other words, the surface-coated paper lithographic prints represent a sheet form of product that comes in intended to be used on the outside of candy boxes and the like, and the same process of manufacture would be used for a print that would come under that part of the paragraph reading, "not exceeding eight one-thou-

sandths of 1 inch in thickness." It is the same principle and there is no sense in having that come under a new schedule entirely.

Mr. BOUTELL. We had here the other day, when the tea schedule was under discussion, some exhibits of very elaborate packages in which the tea was imported, some of them being very elaborately engraved and lithographed, which were admitted free, as they claimed. Does this amendment cover the use of those packages?

Mr. MEYERCORD. That, I should say, would come under the distinctly administrative section, it being the wrapper that contains the tea shipped to this country.

The CHAIRMAN. It turns out that was an entire mistake and that that is amply provided for.

Mr. MEYERCORD. This industry is somewhat more than 100 years old; originated in Germany and from there has spread to all countries of the world. It has assumed a very considerable magnitude and, like most industries carried on in this country (but to a greater extent than most others), the workmen have prospered, receiving large remuneration for their services, thereby becoming self-respecting, thrifty citizens.

The present tariff is a most inequitable one. It is most crudely devised, not properly divided into classes of work, making it very difficult for the government officers to determine as to what class the work belongs, and on many classes of importation affords absolutely no protection at all.

From almost all of the States of Europe, particularly from the German Empire, imports come, the reason for this being that the lithographers in Germany receive less wages than those of other States of Europe.

We should have revision because wages paid in the lithographic industry in the German Empire are, stated broadly, at the rate of 1 mark (say 24 cents) to $1 paid here.

In Germany a lithographic artist is paid 32 to 36 marks ($8 to $9) per week; a man of like ability in this country is paid from $30 to $35 per week.

In Germany a steam-press printer is paid from 20 to 32 marks ($5 to $8) per week, and from $20 to $35 per week in this country.

In Germany feeders (female labor) are paid from $3 to $4 per week, while the minimum in this country (male labor) is $10.50 per week on the smallest press and running up to $17 per week on the largest press.

A like proportion holds good in every branch of the industry.

The industry in Germany is fostered by States or municipalities. Schools of art and drawing are established and maintained at the cost of the State or municipality, thereby placing more efficient workmen in the trade than is possible at present in this country.

The unions connected with the lithographic industry in this country have established a minimum weekly wage for artists, engravers, transferers, provers, and printers of $20 per week. The employers' organization have accepted this as their own, and there is no member of an employers' association in the United States at the present time paying less than the minimum scale of wages; on the contrary, they are paying very much larger wages.

In the printing department the employers are paying a minimum rate on Nos. 1, 2, and 3 stone presses of $20 per week; Nos. 3½ and 4½,

$22 per week; Nos. 5 and 5½, $25 per week; one-color rotary, $25 per week; two-color rotary, $27 per week; three-color rotary, $30 per week, while the wages paid are generally much higher than the minimum rate.

Transferers and provers are paid very much higher wages than the minimum adopted by the union, few in the larger cities working for less than $25 per week, and from that up to $40 per week.

The minimum for stone artists is $20 per week, but the great majority of artists are paid above $25 per week, their wages running up to $60 per week, while sketch artists are paid from $25 to $100 per week, or more.

The workmen in other branches of the industry are paid, as stated above, at least four times as much as is paid in Germany. This is particularly noticeable in the employment of female labor. It can be stated that there are few, if any, work girls in this country in our industry paid less than the minimum wage of $5 per week, the great majority being paid much higher wages, while the wages paid in Germany for like labor is from $1 to $1.50 per week.

A bulletin recently issued by the United States Census Bureau shows that the average weekly wage paid to all those engaged in the lithographic industry, whether skilled or unskilled, amounts to $16.45 per week, there being only one vocation (that of lapidary) which is paid higher.

Because the manufacturers of lithographic prints in Germany sell goods in this country below the market price for the same goods in Germany, and in some cases bill goods to their own branch offices in this country at less than the market price there.

If you would like to have me qualify that statement I can show you how it is done.

A common practice being that the cost for the designing and drawing on stone is not included, but this portion of the cost is calculated upon the price for the European market; the value of such work is in many cases greater than the cost of printing and paper and is not included in the exporters' invoice. These practices result in making the figures of our Treasury Department very inaccurate and unreliable as to what the present specific duty on lithographic prints produces in ad valorem equivalent. The computations made by the Treasury Department are based on the values given on the foreign exporters' invoices, which, as above stated, are not the true value of the goods abroad.

Importations of lithographic prints (exclusive of those articles, very large in number, which were classified as "manufactures of paper") amounted in the year 1899 to $799,475; in the year 1907 to $3,968,542; in 1908, the last fiscal year ending in July, to $4,911,102. There were several million dollars additional to that not included under paragraph 400. Approximately $7,000,000 worth of paper was imported in the last twelve months.

You will notice that we do not give the importations prior to 1899, and regret that we can not do so, which is due to the fact that all articles in the paper schedule, including lithographs, parchment papers, etc., were combined in one item in previous reports of the Treasury Department. These importations were not segregated until the end of the fiscal year 1899.

Based on the figures furnished by the Treasury Department, the specific duty transferred to an ad valorem rate (computed on the erroneous values given in the invoices) amounted to 0.1923 per cent.

To illustrate: In certain articles, such as cigar bands, the European manufacturers have taken the largest part of the market out of our hands, and a number of American manufacturers have been obliged to import the articles instead of doing the work in this country, owing to the lower cost of production abroad.

We give figures showing what the percentage of wages, paper, materials, etc., is to entire cost of production, as also the duty we have to pay under the present tariff law.

	Percentage of total cost of production.	Duty under present tariff.
		Per cent.
Wages	41	
Paper, surface-coated	29½	0.555
Materials	16	20 to 45
Insurance, rent, and power	7	
Color	3	30
Bronze and metal leaf	1½	23½ to .909
Superintendence	2	
	100	

The yearly value of the product of the industry in the United States is not less than $25,000,000.

Computed on the official statistics of importations published by the Treasury Department for the fiscal year 1907 the specific and ad valorem duties were equal to 0.1923 per cent. The wages in the United States equaling 41 per cent of the cost of production stated at $17,500.000 would amount to $7,175,000, while the wages paid in Germany would amount to $1,793,750, showing increased wages paid in the United States of $5,381,250 on a production at cost of $17,500.000, which shows that the specific rate in the present tariff laws, which only produced 0.1923 per cent ad valorem, does not protect the workingman in the United States.

That we are losing business under the present tariff at a rapid rate is shown by the fact that during the depression in business in 1908 the production in the United States has decreased about 25 per cent, while the imports during the same period have increased nearly 30 per cent, thus depriving our workmen of employment.

Mr. UNDERWOOD. What is the total production in the United States?

Mr. MEYERCORD. About $25,000,000.

Mr. UNDERWOOD. And how much do the imports amount to?

Mr. MEYERCORD. About $7,000,000, which after the duty is paid and the cost of marketing, which is very large, makes it run to $11,000,000 or $12,000,000.

Mr. UNDERWOOD. I am talking about the amount of importations.

Mr. MEYERCORD. About $7,000,000.

Mr. UNDERWOOD. What do the exports amount to?

Mr. MEYERCORD. I have not those figures, but I do not believe they amount to more than $1,000,000.

Mr. UNDERWOOD. Where do you send the foreign shipments to?

Mr. MEYERCORD. Where do we export to?

Mr. UNDERWOOD. Yes, sir.

Mr. MEYERCORD. Largely to Mexico, Canada, and Cuba; just our close markets.

Mr. UNDERWOOD. And you come in competition in those countries with this class of paper made in this country, or is it paper shipped from abroad?

Mr. MEYERCORD. Largely paper shipped from abroad.

The CHAIRMAN. I would suggest, Mr. Underwood, that you permit the witness to finish his statement, as there is a larger number of people to be heard to-day than yesterday.

Mr. UNDERWOOD. Very well; that is entirely satisfactory to me. I thought he had finished his statement.

Mr. MEYERCORD. It is deemed wise to separate decalcomania, and give it a separate schedule entirely. The Hon. J. B. Reynolds, Assistant Secretary of the Treasury, suggested this be done; also numerous customs officers deem it necessary. And, in view of the fact that decalcomania is a separate article of commerce, bought and sold, and has a different use than lithographs, and, further, in view of the fact that the industry represents several millions a year in sales, it is important enough to be separately classified. There are a number of factories that manufacture decalcomania in this country.

Decalcomania is a transfer picture printed either on simplex or double paper. It is transferred from this paper to furniture, machinery, pottery, glass, and the like, and consists of three distinct types for the purpose of customs classification.

Ceramic prints are all printed on duplex paper, but can be turned into simplex by stripping the tissue from the heavier backing paper, and hence when in tissue-paper form would weigh very little, only 20 to 28 pounds per thousand sheets. Ceramic decalcomania is used for decorating china and glassware, and is composed of metallic colors, which metallic colors are almost entirely imported, and now pay 30 per cent ad valorem tariff. Duplex paper never has been made in this country, and no attempt has been made to make it in this country, and pays 35 per cent ad valorem. It was originally classified under the Dingley law under paragraph 403 at 25 per cent ad valorem, but advanced to 35 per cent ad valorem, as a result of a court decision, and classified under paragraph 407, as a manufacture of paper.

In view of the fact that the metal leaf used is aluminum leaf, and at 6 cents per hundred leaves, the tariff is equivalent to 70 per cent on the value, and as metal leaf represents a large proportion of the cost of the article, and as it weighs practically nothing, the duty is placed at 70 cents per pound.

The other than ceramic decalcomania transfers prints can not be successfully shipped as tissue stock, hence there is no need of mentioning the word simplex or duplex in connection with same.

The brief is signed by Robert M. Donaldson, Horace Reed, and myself.

The CHAIRMAN. Do you know what the domestic production under paragraph 400 was in 1905, according to the census of that year?

Mr. MEYERCORD. About $25,000,000, lithographs of all kinds.

The CHAIRMAN. The importations last year were $3,930,000—about $4,000,000?

Mr. MEYERCORD. I find that I have skipped a number of years, but the importations were $3,968,000 in 1907 and $4,911,000 in 1908.

The CHAIRMAN. What proportion of that is used by the manufacturers?

Mr. MEYERCORD. The manufacturers and jobbers consume practically all of it.

The CHAIRMAN. I do not care about the jobbers. I want to find out about the manufacturers, what proportion of this product they consume.

Mr. MEYERCORD. I venture to say that they consume 90 per cent of it.

The CHAIRMAN. So that the general heavy increase you propose would necessitate a readjustment of the tariff duties to the manufacturers who use the same article, providing they have not any more than a sufficient protection now?

Mr. MEYERCORD. This is a widespread industry. There is a multitude of small consumers; about 350 factories.

The CHAIRMAN. They sell wholesale. Take the crockery people. We have already heard some rumbles from them on what they have to pay now.

Mr. MEYERCORD. Yes, sir. They receive a protection of 30 per cent on color and 35 per cent on paper, and there is a very large differential against us—of nearly 20 per cent. We have to pay a premium to do business in our own country.

The CHAIRMAN. The crockery people receive 60 per cent protection?

Mr. MEYERCORD. Yes, sir.

The CHAIRMAN. They say that they do not receive over 30 per cent on an honest valuation?

Mr. MEYERCORD. That is up to them; I am not knocking them.

The CHAIRMAN. I am only telling you what they claim. I am not a crockery man. You have not considered the effect on the other industries?

Mr. MEYERCORD. It would be very small, Mr. Chairman; and, furthermore, it is a luxury; and if the manufacturer, for instance, who pays——

The CHAIRMAN (interrupting). The manufacture of crockery is hardly a luxury.

Mr. MEYERCORD. That is a different article. I am talking about the lithographic label used for advertising. He can use other means, but if he desires a lithographic label he can adopt it as a matter of pride, as representative of a higher class of stuff that he has put out as an advertisement.

The CHAIRMAN. Where did you get your prices of labor?

Mr. MEYERCORD. From statistics in signed letters from manufacturers abroad, giving the rate they pay.

The CHAIRMAN. Please file them with the committee.

Mr. MEYERCORD. I have some copies and some originals. I will file the originals with the committee.

The CHAIRMAN. We will print the copies in the hearing and have the originals for the use of the committee.

Mr. MEYERCORD. Yes, sir. It is a national industry. For instance, out in Indiana we have a good many manufacturers. We have three or four in Indianapolis. We have some Down East—in New England.

St. Louis is very well represented. The State of Missouri has 15 or 20 factories, and there are manufacturers down in Texas, in the Carolinas, in Georgia, and in Louisiana. They are scattered from ocean to ocean.

The CHAIRMAN. The manufacturers have been able to get some profit in the past?

Mr. MEYERCORD. You must understand, Mr. Chairman, that there is a large part of this business that is orders for original designs and must be delivered quicker, hence impossible to import; but on duplicate orders where six months' time can be given the importer competes. It is on this duplicate order business or the staple end of the game that the importer is now getting very much the better of the American manufacturer.

The CHAIRMAN. You must get more than that or the amount of the American production would not be so large.

Mr. MEYERCORD. The domestic production of color lithography has decreased and imports have increased about 1,000 per cent under the Dingley law.

The CHAIRMAN. The increase is taken from the figures you have quoted?

Mr. MEYERCORD. Yes, sir.

The CHAIRMAN. There is a large increase?

Mr. MEYERCORD. Wages are 41 per cent of the total cost of American manufacture. We require as a differential for labor, protection of 31 per cent, for the difference in labor alone. On the material or our raw product the average duty is about 40 per cent. That raw material is 50 per cent of our cost of manufacture. Thus we require a protection of 40 per cent on this 50 per cent, or 20 per cent net differential, to cover difference in cost of our raw material. We therefore require 50 per cent net protection to really be on a free-trade basis in our own home market.

The CHAIRMAN. Please file a statement of the principal materials you use, the percentage compared with the whole amount used—by dollars, not by quantity.

Mr. MEYERCORD. Yes, sir.

The CHAIRMAN. The different classes of material.

Mr. MEYERCORD. We have that all figured out now.

Mr. BOUTELL. How much of this entire production consists of the illuminated postal cards, Christmas cards, Easter cards, etc.?

Mr. MEYERCORD. Of the imports, approximately $2,000,000.

Mr. BOUTELL. How much is the domestic production?

Mr. MEYERCORD. Not one-quarter of that.

Mr. BOUTELL. The reason I asked that question was because wherever I see these illuminated postal cards they say, "Made in Munich" or "Made in Nuremberg."

Mr. MEYERCORD. Yes, sir. That is a product that is only paying about 14 per cent. I will illustrate to you how that is arrived at. For instance: The German manufacturer makes for the German, French, or English market a series of 40 pictures. He puts the German lettering on those for the German market. He can then give these plates a slight alteration by changing the wording suitable to the American market and print up a limited quantity and ship to America; thus naming a price eliminating the cost of the plates, which may have cost four times as much as the bill of printed paper

is worth. Yet the American manufacturer would of necessity had to pay for the plates, and that is where the erroneous valuation of import invoices comes in.

Mr. BOUTELL. What I am trying to get at is, where a man in Munich makes a large series of postal cards—views of Pittsburg, Chicago, and other cities—how does he get his photographs? Do they pay any duty on entering Germany?

Mr. MEYERCORD. No; he can enter them by saying that they are for foreign work.

Mr. BOUTELL. What I want to get at is whether the German can get all the material for making the postal cards into Germany free?

Mr. MEYERCORD. Yes, sir; they are admitted for export work free.

Mr. BOUTELL. Then they send the postal cards back and we pay the full duty on them?

Mr. MEYERCORD. Yes, sir.

The CHAIRMAN. If we can collect here the ad valorem duty on a fair valuation of those goods, would the protection under the present law be somewhere near adequate?

Mr. MEYERCORD. No, sir; absolutely not. There is 31 per cent differential right on the wages in favor of the foreign manufacturer at this moment.

The CHAIRMAN. I say on a fair valuation.

Mr. MEYERCORD. You can really say it is a fair valuation on the cost of printing.

The CHAIRMAN. Suppose the valuation was fixed at the wholesale price in this country?

Mr. MEYERCORD. That is a peculiar situation in the industry. A man can use these plates that he has on stone and print up a job for one-quarter of what they can be made for across the street even in Germany, just because he has already received pay for the plates or engravings from another customer. The plate is the pattern, and if a man has the pattern he can go ahead and make up the cards for almost nothing, but if he has to make the pattern then he has an awful job before him.

The CHAIRMAN. That is the same with all manufacturers.

Mr. MEYERCORD. The plate is what brings the valuation erroneously so very low, and even at the specific duty paid there is only 19 per cent protection under the Dingley law. The hearings on the Dingley law would indicate that this product was to get more than twice that. That was the intent, but the importers were so much better posted that the schedule was made to suit them, and the thing has worked out until the American manufacturer receives only about 19 per cent protection.

The CHAIRMAN. The statistics seem to show, aside from the postal-card business, which you say is about $2,000,000, that you have not been driven entirely out of the market.

Mr. MEYERCORD. But you must understand that there are photograph postals and various other processes than lithograph postals. The most expensive postals get the same protection that the other types receive. The consequence is that the postal-card industry on high-class colored stuff is all German make. The cheaper grades of picture work are made here. The lithographer requires on postal cards about 80 per cent additional protection to put him on an equality or free trade basis in his own home market.

The CHAIRMAN. Which is used by the manufacturers, the high-class work or the low-class work?

Mr. MEYERCORD. That depends on the taste of the fellow.

The CHAIRMAN. What proportion of high-class work is used by the manufacturers?

Mr. MEYERCORD. They buy the best.

The CHAIRMAN. So that all that is used by the manufacturers is the high-class work?

Mr. MEYERCORD. Usually. It depends on whether the manufacturer is selling high-class goods.

The CHAIRMAN. Practically all?

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. Is there anything in the quality of the imported article that gives it an advantage over your article?

Mr. MEYERCORD. No, sir. There are manufacturers in this country who make the finest there is in the world.

Mr. CRUMPACKER. There is no superiority in point of work or quality in the imported article?

Mr. MEYERCORD. No, sir; except in the ability of the American salesman in competing at a disadvantage to induce the customer to allow him to cheapen the plates so that he can get in on the deal.

Mr. CRUMPACKER. Are there any manufacturers or consumers in this country who buy the foreign article because it is made abroad?

Mr. MEYERCORD. Yes, sir. That is according to the ability of the salesman of the importer to convince him that it is better.

Mr. CRUMPACKER. You want the tariff high enough so as to practically compel them to buy American goods?

Mr. MEYERCORD. Give us free trade in our own home market. That is all we want and we will lick him.

Mr. CRUMPACKER. If you had the increase in the schedule of tariff you ask for it would probably prohibit the importation of any foreign product, would it?

Mr. MEYERCORD. We want free trade in our home market; that is all we want. I am a free trader above the 51 per cent basis.

Mr. CRUMPACKER. You say that the importer of the foreign product in this market has actually the same footing as you under existing conditions?

Mr. MEYERCORD. He has a better footing by 25 per cent.

Mr. CRUMPACKER. And yet, notwithstanding that, you control about 85 per cent of all the product?

Mr. MEYERCORD. No, sir. Of colored work about 50 per cent. There is a great amount of work that is not produced abroad, the letter-heading work.

Mr. CRUMPACKER. The total amount of the production in 1905 was $25,000,000.

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. And the total importations were about $4,000,000. So it seems from your statement that you have almost a monopoly of the market and that you are not at such a disadvantage?

Mr. MEYERCORD. That is one way of looking at it. The imports under paragraph 400 alone were $5,000,000 European value. Under paragraphs 398 and 407 several million additional arrived at Eu-

ropean value. You must take the American market price. Last year it must have amounted to $11,000,000 or $12,000,000.

Mr. CRUMPACKER. You stated that the importations under the Dingley tariff law had increased 1,000 per cent.

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. Has the domestic production increased 1,000 per cent?

Mr. MEYERCORD. It has stood still practically.

Mr. CRUMPACKER. Has there not been an enormous increase in the issue of these prints during the last several years?

Mr. MEYERCORD. In the twelve years of the Dingley law American lithograph production has advanced possibly 20 per cent. All of it on noncompetitive quick delivery work. On the imported product 1,000 per cent at the same time under the Dingley law.

Mr. CRUMPACKER. At the time that the Dingley law was enacted the importations were of necessity very small?

Mr. MEYERCORD. Because we had reasonable protection. We had larger protection under the Wilson-Gorman Act.

Mr. CRUMPACKER. The rates were higher under the Wilson-Gorman Act than under the Dingley law?

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. Paragraph 400 is manifestly a very complicated one?

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. It has been in operation for nearly twelve years?

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. I presume all of its provisions have been applied and interpreted so that there is practically no uncertainty about it now?

Mr. MEYERCORD. No, sir.

Mr. CRUMPACKER. And decisions have been made covering practically every provision?

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. So although the decisions may not be satisfactory to you the questions have been settled?

Mr. MEYERCORD. Yes, sir.

Mr. CRUMPACKER. And if the changes you suggest should be made it would open up a new field of controversy which would probably take ten years to settle?

Mr. MEYERCORD. No, sir. We have gotten it to a point where all questions will rest on just about three general propositions.

Mr. CRUMPACKER. Would it not be better if Congress decided to increase the rates of tariff, to simply increase the rates provided in the Dingley law than to enact a lot of new provisions?

Mr. MEYERCORD. They are not new provisions. There are very few changes, and if you submit this suggested amendment to the law division of the customs bureau I venture to say that they will report that every suggestion that we have made tends to clarify the atmosphere on paragraph 400.

Mr. CRUMPACKER. I have no further questions.

The CHAIRMAN. There are 49 names of gentlemen on the list to be heard to-day. Mr. Meyercord has presented his case very fully and given facts very fully covering the whole case, and I want to know if

you gentlemen can not select one or two others of the delegation to make the oral argument in addition to what Mr. Meyercord has said and then content yourselves with filing briefs as to the balance?

Mr. BLANEY. I was going to say, with the idea of saving your time and the committee's time, that I have made some suggested changes in a brief which I will file with the committee so as to save your time, and my remarks will not exceed five minutes.

The CHAIRMAN. The difficulty is that you will talk for ten minutes and then the committee will ask you questions for an hour on something that is in your brief.

Mr. BLANEY. I will not read my brief, but I will submit it and it can be taken up at the leisure of the committee.

STATEMENT OF FRANK J. BLANEY, REPRESENTING FORBES LITHOGRAPH MANUFACTURING CO., BOSTON, MASS.

SATURDAY, *November 21, 1908.*

Mr. BLANEY. Mr. Chairman and gentlemen of the committee, I appear on behalf of the Forbes Lithograph Manufacturing Company, of Boston, Mass., a large concern. It is not a member of the National Association, as is Mr. Meyercord, but we indorse in every particular the brief he has submitted, with a few minor changes which we believe would be clearer.

This imported work is not used very largely on manufactured products. Imported work is used principally as advertising. It is not work where if there were a little increase in the price it would make any material difference to the manufacturer in the cost of his product, and if the statement shall be made that the imported product is brought into this country because the American lithographer can not produce it as good as it is done abroad, I will submit these samples (exhibiting samples) of our commercial work in contradiction.

We ask most earnestly that in making this law the old paragraph 400 shall be ignored entirely, so far as its present provisions are concerned, since they are so radically wrong. For instance, under the present provision a show card, 16 by 24, on paper eight one-thousandths of 1 inch in thickness, should bear a certain rate. If you go up to just 10 pounds more on the same size sheet you get a still different rate, a rate of 8 cents a pound. If you go still further to 16 by 26, thereby having a square-inch area of over four hundred, you will get another different rate. It applies from a specific rate of 20 cents on paper not exceeding eight one-thousandths of an inch in thickness to an ad valorem rate, and it has been practically impossible to get a fair valuation on the importations while the ad valorem rate remains, and the briefs that have been submitted by Mr. Meyercord and the one I shall file with you seek to make it so clear that there will be no question as to the interpretation of the custom officials.

The CHAIRMAN. Do you import all your material?

Mr. BLANEY. We import part of the ink and all of the bronze and metal leaf that are used in printing.

The CHAIRMAN. What percentage do you import?

Mr. BLANEY. We import all the inks and metal leaf that are used in printing.

This is a very widespread industry. There are 350 establishments, and the competition would keep down any arbitrary advance in price to the manufacturers. There is no trust in the business, and all we ask, Mr. Chairman, is a sufficient protection that will cover the difference between the wages paid abroad and the wages paid in this country, plus a reasonable profit.

BRIEF SUBMITTED FOR THE FORBES LITHOGRAPH MANUFACTURING COMPANY, BY FRANK J. BLANEY, DIRECTOR, RELATIVE TO LITHOGRAPHIC PRINTS.

BOSTON, MASS., *November 20, 1908.*

To Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: The Forbes Lithograph Manufacturing Company, of Boston, lithographers, established at that point, respectfully present the following recommendations as an amendment to the schedule proposed on lithographic material (paragraph 400) by the tariff committee of the National Association of Employing Lithographers.

We ask that section 400 of the 1897 tariff be amended to read as follows:

Proposed amendment to paragraph 400.

Lithographic prints from stone, zinc, aluminum, or other material, bound or unbound (except cigar labels, flaps, bands, or other small labels), not elsewhere specified, or any article made up in chief value of lithographic prints:

	Per pound.
On paper or other material not exceeding ten one-thousandths inch in thickness	$0.30
If embossed or die cut	.33
If both embossed and die cut	.36
Exceeding ten one-thousandths inch and not exceeding twenty one-thousandths inch in thickness	.25
If embossed or die cut	.27
If both embossed and die cut	.29
On cardboard or other material exceeding twenty one-thousandths inch in thickness	.15
If embossed or die cut	.16
If both embossed and die cut	.17

Lithographic labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material:

Labels and flaps, exceeding 10 square inches, if printed in less than 8 colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	.30
Small labels and bands, less than 10 square inches, printed in less than 8 colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	.60
Labels or flaps, exceeding 10 square inches, printed in 8 or more colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	.40
Small labels and bands, less than 10 square inches, printed in 8 or more colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	.80

	Per pound.
Labels and flaps, exceeding 10 square inches, printed in whole or in part in metal leaf and not over 5 additional printings	$0.50
Labels and flaps, exceeding 10 square inches, printed in whole or in part in metal leaf and over 5 additional printings	.75
Small labels and bands, less than 10 square inches, printed in whole or in part in metal leaf and not over 5 additional printings	1.00
Small labels and bands, less than 10 square inches, printed in whole or in part in metal leaf and over 5 additional printings	1.50
For any embossed label, flap, or band add	.10

The reasons for our dissenting from the recommendations of the tariff committee referred to are as follows:

On the item of "Paper or other material" they recommend eight one-thousandths inch in thickness as the dividing point. This is not a logical point at which to make the difference in thickness, for the reason that the same class of material—that is, hangers, calendars, etc.—are printed on paper 60, 70, 80, 90, and 100 pounds to the ream of 500 sheets, size 22 by 28. The tariff committee of the employers' association took this arbitrary division from the tariff now in force, and this is entirely wrong, as will be seen from the following facts:

For an importation of 100,000 show cards or hangers, size 16 by 24, lithographed on stock eight one-thousandths inch in thickness, which is 88 pounds to the ream of 500 sheets, basis 22 by 28, the weight on the shipment would be 11,000 pounds, and at the rate recommended by the committee—30 cents per pound—the duty on the importation would be $3,300, whereas if stock nine one-thousandths of an inch in thickness were used, weighing 100 pounds to the ream of 500 sheets, size 22 by 28, it would then pass to the rate suggested by the committee—of 20 cents per pound—thus making the weight of the shipment of 100,000 hangers, 16 by 24, 12,400 pounds; and at the 20-cent per pound rate specified by the committee for this thickness it would make the revenue $2,480, as against $3,300 on the lighter stock, thus saving the importer $820 duty for a show card made on a thicker stock, which would be more desirable for his purpose, and the increase he would have to pay for the increase in cost of stock, owing to heavier weight, would be at the rate of 6 cents per pound—$84—and the increased freight would not be over $6, so that the increase in the cost on account of the heavier stock would not exceed $90, which would thus give a net saving of $730 by reason of having the hangers on a heavier stock; and this, of course, would be a corresponding loss to the Government on revenues.

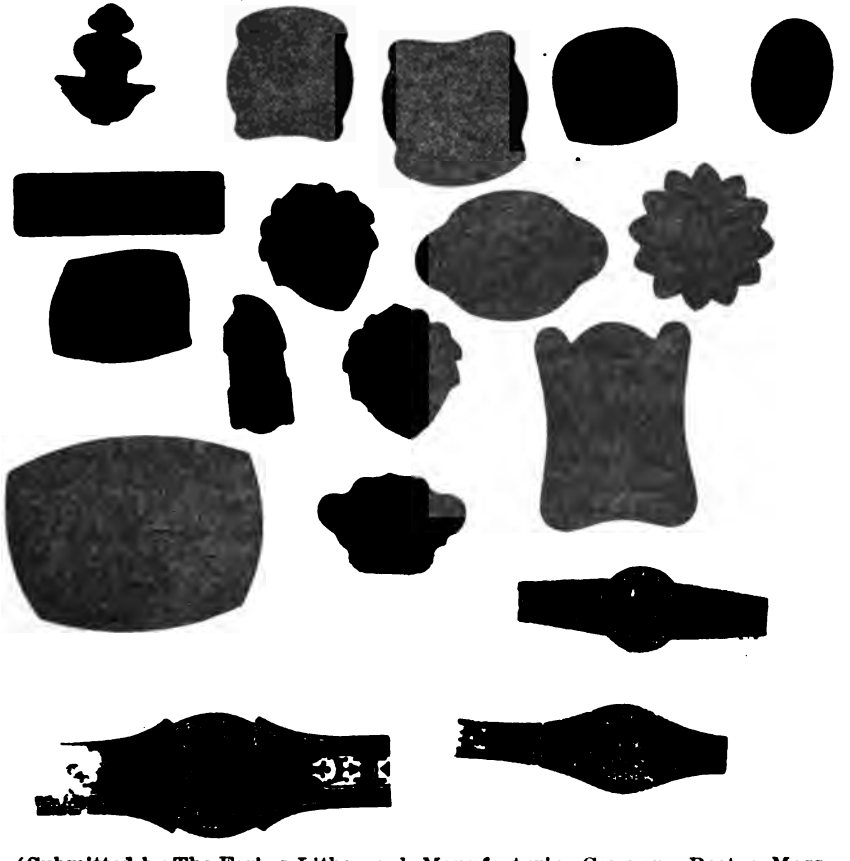
The division we have suggested is ten one-thousandths of an inch, and instead of dropping from 30 to 20 cents per pound (as suggested by the tariff committee referred to) we recommend the rate we have named above, 25 cents per pound, which is a drop of 5 cents, owing to the increased thickness.

In connection with the item under the heading of "Lithographed labels, flaps, and bands," we take occasion to include small labels not exceeding 10 square inches, and the reason for this is that the same policy which properly prevails in providing a suitable rate per pound on cigar bands, owing to the small size and the large number to a pound, should dictate that any label, no matter for what purpose it may be used, should receive the same protection as the cigar band. In explanation of this and to illustrate our contention we attach hereto a sheet marked "A," on which we pasted impressions of dies used on labels for perfumery bottles and other small articles, to show size to which labels are cut. On the same sheet we have attached cigar bands, showing that the cigar band is in many cases larger than the small labels used for perfumery and other articles. Owing to the inadequate protection afforded the American lithographers on these small labels, a large quantity are imported, and foreign houses dealing almost exclusively in this branch of business maintain agencies here. On 100,000 labels, size 2½ by 4, the weight would be 185 pounds if printed on stock basis 50 pounds to the ream of 500 sheets, size 22 by 28—and this is the heaviest-weight paper that is used for this purpose—and in many cases a lighter paper is used. One hundred thousand such labels made in America, if in 10 printings of a grade usually used for this work, would be sold at approximately $3.50 per thousand, or $350 for the 100,000, whereas at the rate of wages shown to prevail abroad, as given in detail by the tariff committee of the National Association of Lithographers, even the rate of tariff suggested by them would not represent the full difference between the cost of production here and abroad.

With the changes suggested above, we heartily indorse the recommendations of the tariff committee referred to, but believe in incorporating the following clause as a section under this heading of "Lithographic imports:"

"Lithographs cased with other products: No box, case, or other package containing any importation to this country, not included in this paragraph, shall contain any lithographic prints from stone, zinc, aluminum, or other material, or other items or goods listed in this section."

The purpose of this is to prevent foreign exporters or manufacturers from including 1, 2, 3, or other small number of show cards or other lithographed or advertising matter in the cases or packages containing the product they are sending to this country to sell. As foreign importations of certain goods amount in the aggregate to a large number of cases, the inclusion of show cards, lithographs, etc., in the case or package containing the commodity not only is a source of loss to the lithographic industry of the United States, but also is a very large loss of revenue to the Government, and the above paragraph, if adopted, would cause the importer to bring his lithographed or other advertising matter into the country in separate cases, thus causing a duty to be levied on same, with a corresponding amount of revenue to the Government.



(Submitted by The Forbes Lithograph Manufacturing Company, Boston, Mass., to show that small labels for any purpose should have same pound rate as cigar bands, on account of size.)

Legend.

We recommend that the following be incorporated into the new law:

Each and every label, band, wrapper, show card, or other lithographic print from stone, zinc, aluminum, or other material, shall bear on the face of same,

printed in legible letters in English, the legend "Printed in ———," the name of the country of origin to follow the words "Printed in."

Maximum and minimum.

Should the committee in its wisdom incorporate the principle of the "maximum and minimum tariff," we earnestly pray that the foregoing rates shall be adopted as the minimum rates, and that the maximum rates shall be 20 per cent in excess thereof on each and every item.

Lithographic industry in the United States.

We have refrained from entering into a general discussion of the merits of the matter, believing same to be covered by the brief submitted by the tariff committee referred to, and would only add as a conclusion that the lithographic industry opens up a very large opportunity for American art, inasmuch as the different establishments are constantly buying the works of many noted artists in this country, and the young artists especially are to a considerable extent dependent upon the trade for their support and encouragement.

Respectfully submitted.

THE FORBES LITHOGRAPH MANUFACTURING CO.,
By FRANK J. BLANEY,
A Director of the Company.

STATEMENT OF OTTO PALM, OF NEW YORK CITY, RELATIVE TO DUTIES ON DECALCOMANIA TRANSFERS.

SATURDAY, *November 21, 1908.*

Mr. PALM. If the committee will permit, I would like to say a few words in reply to the arguments or statements that were made by Mr. Meyercord on decalcomanias. Of course, I think it is a mistake on our part to occupy the attention of this committee on such a small matter.

Decalcomania is a very small item going into the lithograph paragraph. Decalcomania is not an article that is used indiscriminately as other lithographic prints are, because a lithographic print when it comes to this country is simply sold as a lithographic print, as a postal card, visiting card, New Year's card, Christmas card, or chromos or calendars. Decalcomania is something entirely different. Decalcomania as it is imported or made here is not perfect in itself; it is simply an article that goes into the manufacture of other articles, without which decalcomania is of no use whatever. For instance, the pottery industry in the United States consumes about one-half of the decalcomania. Now, if you want to foster the industry of pottery, it is necessary to bring the decalcomania into this country and manufacture it here as low as possible in order to compete with the pottery that is imported from foreign countries. Of course pottery is not the only item on which the decalcomania is used. There are a number of other items on which it is used, but the pottery industry is particularly interested in this provision. As far as we are concerned, I think we all agree that we are satisfied to let the duty on decalcomania remain as it is now. We do not ask for any reduction or any increase.

Mr. UNDERWOOD. Please explain how you use it in pottery?

Mr. PALM. Here is a lithograph that is printed on decalcomania paper, or, in other words, transferring paper. [Exhibiting.] Cer-

tain colors are printed on this transfer paper. The paper is then sold to the potters and they transfer the colors from the transfer paper to the different articles of pottery requiring decoration. The pottery is then fired once more. Without the decalcomania the pottery industry in America could not exist to-day.

The CHAIRMAN. It would have to be done by hand?

Mr. PALM. Yes, sir.

The CHAIRMAN. Have you a specimen there where it has been transferred?

Mr. PALM. There is the material right on the pottery. [Exhibiting.] That is transferred.

We contend that the potter in America can not exist without decalcomania. He must have decalcomania, otherwise he is not in it. If you want to foster and help the pottery industry of America, this committee should put decalcomania on the free list instead of increasing the duty, although we do not ask that. We are satisfied as it is to-day.

The imports of decalcomania into this country do not exceed $400,000. It is a mere bagatelle. I have been amazed at the statements that have been made. It is like Colonel Sellers's "There are millions in it." Decalcomania is a little item, and the potter uses more than any other manufacturer in the world. The imports into this country of decalcomania amount to about $400,000 a year. The consumption here is in the neighborhood of between $600,000 and $800,000, just a small matter. We have been in business for a number of years. We could not compete by importing the decalcomania with the selling prices here, and consequently we had to open a factory, and we are running factories, and a number of others are also running factories. The item of decalcomania is so small that it does not cut any ice, and if you make any change in the duty you will simply hamper and jeopardize the manufacturers of America.

The CHAIRMAN. I think you have stated your point.

Mr. PALM. Yes, sir. If you put a prohibitive duty on decalcomania, you would simply give employment to about 400 people more and, on the other hand, you would probably knock out 5,000 people in the pottery business and several hundred thousand people in some of the other branches, if you want to go that far.

Mr. UNDERWOOD. What is the rate of duty now?

Mr. PALM. Under paragraph 400 it was 20 cents a pound. The duty has been changed. Decalcomania has been kicked about like a football. It has been 35 per cent, 25 per cent, and 20 per cent.

Mr. UNDERWOOD. What is it now?

Mr. PALM. The duty on decalcomania has been placed by one of the courts of Philadelphia, under paragraph 398, at 20 per cent ad valorem and 3 cents a pound.

The CHAIRMAN. We have access to those decisions.

Mr. UNDERWOOD. What does it amount to to-day, the 20 per cent ad valorem and the 3 cents a pound duty?

Mr. PALM. It depends on what kind of goods you import. If the goods are very expensive goods it would amount to more than 20 cents per pound. If the goods are cheaper it would not amount to 20 cents per pound. That is under the clause which is 20 per cent ad valorem.

Mr. UNDERWOOD. Is the rate 20 per cent on everything with the 3 cents added?

Mr. PALM. The rate is 20 per cent and 3 cents per pound, under section 398. Previous to that decision it was under section 400 at 20 cents per pound.

Mr. UNDERWOOD. You say that the ad valorem rate is about 20 per cent?

Mr. PALM. The ad valorem rate?

Mr. UNDERWOOD. Yes, sir.

Mr. PALM. Yes, sir. Now they have changed it to 20 per cent and 3 cents per pound.

Mr. UNDERWOOD. What is the rate of duty you are paying on this stuff when it comes into the country?

Mr. PALM. Twenty per cent and 3 cents a pound under the new ruling under paragraph 398.

Mr. UNDERWOOD. What does that amount to as an ad valorem rate?

Mr. PALM. As an ad valorem rate?

Mr. UNDERWOOD. Yes, sir.

Mr. PALM. The ad valorem rate is 20 per cent. The 3 cents a pound does not amount to much; it is the 20 per cent.

Mr. UNDERWOOD. You say that about half of the product is made in this country and about one-half imported?

Mr. PALM. Yes, sir.

Mr. UNDERWOOD. How long has that been the condition?

Mr. PALM. Well, during the last four or five years, since several of these factories have established themselves and we have established ourselves.

Mr. UNDERWOOD. Has the business steadied down to a condition where one-half of the product is produced in this country and the other half imported?

Mr. PALM. Yes, sir.

Mr. BONYNGE. Where is your factory?

Mr. PALM. In Cincinnati.

Mr. BONYNGE. How large a place have you?

Mr. PALM. It is a pretty good-sized place.

Mr. BONYNGE. Is yours one of the large ones or one of the small ones?

Mr. PALM. Ours is one of the larger ones. There are only three or four others.

STATEMENT OF JOHN G. DUFFY, OF NEW YORK CITY, RELATIVE TO CIGAR LABELS, FLAPS, AND BANDS.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. Mr. Duffy, do you want to be heard on cigar labels?

Mr. DUFFY. Yes, sir; on the labels, flaps, and bands.

The CHAIRMAN. Proceed.

Mr. DUFFY. Very well.

The CHAIRMAN. Can you not file a brief statement?

Mr. DUFFY. Yes, sir. There [indicating] is the brief, and I will be as brief as possible.

We desire to state, first, in answer to what has been said to the committee, that it is not true, at least of cigar labels, flaps, and bands, that they are not exported. We have with us here a foreign manufacturer of cigar labels, flaps, and bands who testifies that they meet a very sharp competition abroad from the American lithographer. It is also a fact that there has not been a single year under the Dingley tariff when there was imported into this country $200,000 worth of this item of lithographic prints. It is also a fact that the tariff of 1894 did not treat any more indulgently lithographic prints than they were treated in the tariff act of 1897. The cigar bands were thus treated in the tariff act of 1894; they were made dutiable under a number of colors, the lowest rate, 20 cents a pound, being applicable to 10 colors or less. The act of 1897 did not change the rate, but it did change the classification by saying "eight colors" or "less than eight colors."

Now, we think we have some standing before this committee on the proposition that it would be an advantage to allow the importation of cigar labels for the use of cigar manufacturers to be increased. Except for the bands, the cigar labels and flaps have not increased proportionately to the normal increase of business under this Dingley act. We represent a gentleman, Mr. Louis T. Wagner, who is the largest importer. It is a very small industry, the importing of cigar labels, flaps, and bands. There are only four or five firms engaged in it. Mr. Wagner, after twenty years devoted to building up the business, is now the largest importer.

The CHAIRMAN. What do you say the imports were?

Mr. DUFFY. Not over $200,000 in value.

The CHAIRMAN. Of domestic production is it much larger?

Mr. LOUIS C. WAGNER. Considerably so. Nine-tenths of the cigar labels are produced in this country and only about one-tenth imported.

The CHAIRMAN. You have a pretty good protection on cigars?

Mr. WAGNER. I know nothing about the protection on cigars.

The CHAIRMAN. I did not know what you considered good.

Mr. GAINES. He said he is not a cigar maker. He is an importer of labels.

The CHAIRMAN. We will hear you briefly on this. You say it is not a very important matter?

Mr. DUFFY. It is important to our clients. I think I may point out here also, in answer to what has been stated, that the present rate of duty on cigar labels, as you will find on page 4 of our brief, is from 44 per cent up to 73 per cent, while just immediately above that you will see that the ad valorem equivalent of the other lithographic print duties runs to 27 per cent on the average. There is a clear injustice there. And now I want to come to the particular feature about cigar labels.

This is a cigar label [submitting specimens]. These things are generally about half paper.

The CHAIRMAN. We have seen them.

Mr. DUFFY. Yes. The paper costs about 8 cents a pound, and they put on that blank paper duties of from 20 to 50 cents a pound. We propose in the act to make a separate provision for labels and flaps, and a just provision, not grouping with them the bands. The bands are completely covered with lithographic work, and have to be

cut to shape besides. The label is usually more than half paper and not more than half lithography. We propose these rates, following the phraseology of the law exactly: "Lithographic cigar labels and flaps, lettered or blank, printed from stone, zinc, aluminum, or other material, if printed in less than eight colors (bronze printing to be counted as two colors), but not including labels and flaps printed in the whole or in part in metal leaf, ten cents per pound; if printed in eight or more colors, but not printed in whole or in part in metal leaf, fifteen cents per pound; if printed in whole or in part in metal leaf, thirty cents per pound. Cigar bands, if printed in colors and bronze, fifteen cents per pound; if printed in colors and metal leaf, forty cents per pound."

The CHAIRMAN. How much does one of those labels cost on a box of cigars?

Mr. WAGNER. It depends entirely on the number of pieces.

The CHAIRMAN. I mean, from the lowest to the highest?

Mr. WAGNER. If a set of four pieces is considered, which is an inside and an outside label and a flap and tag, the cost is about 4½ cents a box, sometimes more.

The CHAIRMAN. You may proceed, Mr. Duffy.

Mr. DUFFY. We make the same classification on cigar labels printed in less than eight colors, bronze printing to be counted as two colors, but not including labels and flaps printed in whole or in part in metal leaf, ten cents a pound. This is on page 8 of our brief. But if printed in eight or more colors, but not printed in whole or in part in metal leaf, fifteen cents a pound. If printed in whole or in part in metal leaf, thirty cents per pound. Cigar bands, if printed in colors and bronze, fifteen cents per pound; if printed in colors and metal leaf, forty cents per pound.

The CHAIRMAN. You need not read your brief. That will be filed. We will read that.

Mr. DUFFY. I trust the committee will.

The CHAIRMAN. Now, if you have any other matters to state outside, please state them.

Mr. DUFFY. We just desire to file some samples.

The CHAIRMAN. To the same effect?

Mr. DUFFY. Yes.

STATEMENT OF LOUIS C. WAGNER, NEW YORK CITY, ON THE SUBJECT OF CIGAR LABELS AND DUTIES THEREON.

SATURDAY, *November 21, 1908.*

Mr. WAGNER. I beg to submit, Mr. Chairman, samples of the labels made in Germany and samples from some designs copied from the German and made in this country; made in this country because you can no longer import them because of the existing high rate of duty. These samples will show that the labels are the same in workmanship in every respect. For instance, I submit here a sample of a label called "Alexander Humboldt." This is it, right here. [Submits sample.]

The CHAIRMAN. Do you ask to have it put on the free list?

Mr. WAGNER. No, sir; I am a protectionist. I believe in protection, but I do not believe in prohibitive rates. I want a decrease in the rate because I think I am justified in asking for it. "Alexander

Humboldt" costs in Germany $13.50 a thousand sets for an edition of 50,000 sets. That is the cost in Germany, and including the duty, it will make the cost $23.40. The same design, sample F, which is composed of the same number of pieces—in fact one additional sheet, if we had made that additional back strip originally—costs $15 in Germany, and with the duty paid they cost $25.65, and they are being sold and printed here for $16.15 per thousand sets.

Now, if the importers had furnished this additional back strip, the cost on the other side, including the duty, would be $25.65, and without the duty $15; but that is sold right here to the trade for $16.15.

Here is another, "La Elegancia." That consists of three pieces, and the foreign cost of 50,000 sets is $9 per thousand. The duty added makes it $13.80. The foreign cost of the flap, which is the third piece, is $3.50, and the duty included makes the total cost of $5.90. In other words, the German cost of these pieces is $12.50, and with the duty added, $19.60. The same design on this box [indicating] is sold by the domestic lithographer to the trade at less than $10 per 1,000 sets against a foreign cost of $12.50, or, with duty added, $19.60.

The CHAIRMAN. Have you that all written out?

Mr. WAGNER. Yes, sir.

The CHAIRMAN. Kindly file it with your brief. We have not time for that.

Mr. WAGNER. All right.

Mr. UNDERWOOD. You say you are a protectionist, but not a monopolist?

Mr. WAGNER. No. I say I am a protectionist, but I do not believe in prohibitive rates.

Mr. UNDERWOOD. That is monopoly.

Mr. WAGNER. We contend that from the time we get the first edition of labels from abroad we can not get orders for subsequent editions, because the designs are being copied in this country and sold for less than we can import them for. We go to the expense of making costly sketches and from these the lithography on stone is made by experts, while in copying the imported design here from a printed label there is no expense for sketches, and the lithography from printed copies is usually made by apprentices at a cost of only one-half that if made from sketches.

Mr. DALZELL. You claim that the duty is prohibitive?

Mr. WAGNER. Yes; that the duty is prohibitive so far as reprints go, but not for the first edition.

Mr. DALZELL. You want it reduced so that the German and the American can come into competition with each other?

Mr. WAGNER. That I ask for a reduction to enable us to import duplicate editions of every design originally our own but being copied in domestic work and sold to the trade below the cost of German goods, and not because we want to compete with domestic work. That is not at all possible under existing duties and even without any duty at all, larger editions will be excluded anyway.

Mr. UNDERWOOD. What do you want the duty reduced to?

Mr. WAGNER. The 20-cent rate to 10 cents and the 30-cent rate to 15 cents, and those at 50 cents to 30 cents.

Mr. UNDERWOOD. You think that would be fair competition?

Mr. WAGNER. These rates would still be more than ample protection to domestic industry for small lots and yet excessively high for larger lots.

My predecessor speaks of bronze printing as being counted as three colors. The commercial term for bronze printing is one and one-half colors. There is no such thing as three colors at all.

The CHAIRMAN. That is all, I think.

Is there any other gentleman who can present anything new on this subject that has not already been said?

Mr. WAGNER. Shall I leave these samples?

The CHAIRMAN. File your brief there.

Mr. WAGNER. Just one moment. It was said a while ago by my predecessor that there were no cigar labels exported to Europe. I have here some samples of the American Lithographic Company showing their agent in Holland, another one showing their agent in London, and another one showing their agent in Hamburg. They do export their cigar labels right into England and Germany in competition with those made in those countries.

BRIEF SUBMITTED IN BEHALF OF KAPPLER & MERRILLAT AND OTHERS RELATIVE TO CIGAR LABELS.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the matter of the revision of paragraph 400 of the tariff act of 1897, so far as said paragraph applies to cigar labels, flaps, and bands.

BRIEF FOR IMPORTERS.

Cigar labels, flaps, and bands are produced by ordinary lithographing processes. Labels and flaps are interchangeable names for prints attached to any part of a cigar box. Bands are small lithographs wrapped around cigars.

Prior to the tariff act of 1894 no distinction was made between this class of merchandise and other lithographic prints. In that act (paragraph 308) separate provision was made for cigar labels, flaps, and bands at rates much higher than those prescribed for lithographic prints. This distinction was retained in paragraph 400 of the tariff act of 1897 and even a more unfair differential in rates was created.

An abstract of the provisions of both acts follows:

Act of 1894.	*Act of 1897.*
Lithographic prints not exceeding .008 of an inch per pound 20 cents.	Lithographic prints not exceeding .008 of an inch per pound 20 cents.
exceeding .008 of an inch but not exceeding .020 of an inch, and exceeding 35 square inches cutting size per pound 8 cents.	exceeding .008 of an inch but not exceeding .020 of an inch, and exceeding 35 square inches but not exceeding 400 square inches cutting size per pound 8 cents.
	exceeding 400 square inches cutting size 35 per cent.

Act of 1894—Continued.	*Act of 1897*—Continued.
not exceeding 35 square inches cutting size per pound 5 cents.	not exceeding 35 square inches cutting size per pound 5 cents.
exceeding .020 of an inch per pound 6 cents.	exceeding .020 of an inch per pound 6 cents.
Cigar labels and bands, less than 10 colors per pound 20 cents.	Cigar labels, flaps, and bands less than 8 colors (bronze printing to be counted as 2 colors) per pound 20 cents.
	printed entirely in bronze printing per pound 15 cents.
10 or more colors, or in bronze printing per pound 30 cents.	printed in 8 or more colors per pound 30 cents.
printed wholly or partly in metal leaf per pound 40 cents.	printed wholly or in part in metal leaf per pound 50 cents.

Except for the addition of a provision for prints exceeding 400 square inches cutting size, the tariff act of 1897 reenacted the rates prescribed for lithographic prints in the act of 1894.

Cigar labels and bands were much differently dealt with. The line of classification was changed from ten colors to eight, increasing the duty on a large line that had been admitted at 20 cents per pound to 30 cents, an increase of 50 per cent. Goods printed wholly or in part in metal leaf were made to pay 50 cents instead of 40 cents per pound—25 per cent increase.

Mr. Louis C. Wagner, who appears before this committee now and who was here in 1897, testifies that this unfair distinction represents neither the views of the House nor of the Senate of that time, nor of either of the committees who had the Dingley bill in charge. As originally passed by both Houses the bill eliminated the distinction, but it was returned from conference in its present form. Being a measure of great importance it was enacted without further delay.

The subjoined table, referring to samples submitted, shows the operation of paragraph 400 of the present act on these two classes of lithographic prints:

Lithographic prints other than cigar labels.

Samples.	Cost in Germany per 1,000.	Weight per 1,000.	Duty per pound.	Total duty per 1,000.	Ad valorem equivalent.
		Pounds.	*Cents.*		*Per cent.*
A and B	$48.00	130	8	$10.40	22
C	30.00	122	6	7.32	24½
D	12.75	62½	6	3.75	29½

Cigar labels.

Samples.	Cost in Germany per 1,000 sets.	Weight per 1,000.	Duty per pound.	Total duty per 1,000.	Ad valorem equivalent.
		Pounds.	*Cents.*		*Per cent.*
Alexander Humboldt set E. 50M sets of five pieces to set	$13.50	33	30	$9.90	73
La Elegancia set G. 50M sets of two pieces to set.	9.30	16	30	4.80	53
Flap A. M. C. 50M pieces	3.50	12	20	2.40	69
Copies H. 50M sets, two pieces to set	9.00	16	30	4.80	53
Copies K. Leila. 12M sets, two pieces to set	11.50	17	30	5.10	44
Copies L. Havana American. 50M sets, five pieces to set	21.00	33	50	16.50	78

Our proofs show:

(1) That cigar labels (small editions) produced in this country are sold to the trade for almost the cost of foreign goods, without duties added.

Example: Samples K, "Leila." The German cost for duplicate prints is $11.50 per 1,000 sets; duty added, cost $16.60. A domestic firm is now making a first edition of these labels, including outlay for lithography and embossing die, and selling the same at $16.50, agreeing to furnish subsequent editions at $12.50, against the foreign cost for like subsequent editions which, with duty added, is $16.60.

(2) If cigar labels were free of duty the larger editions, comprising the most profitable part of the trade, could not be imported and sold here without loss as low as like goods can be profitably sold by domestic lithographers.

Examples.—"La Elegancia," samples G, three pieces: Foreign cost for 50M, insides and outsides, $9 per 1,000; duty, $4.80; total, $13.80. Foreign cost for flaps "A. M. C.," $3.50; duty, $2.40; total, $5.90. Total German cost for set, $12.50; duty, $19.70.

This same design will be found on and inside of cigar box submitted, made in New York, copied from the imported and sold by the maker at not more than $10 per 1,000 sets, including the extra end label or color mark.

Recapitulation.—Foreign cost for three pieces, $12.50, with duty, $19.70, against the selling price of not over $10 for domestic work of four pieces.

There are submitted samples of cigar labels originally made for Mr. Wagner in Germany and samples of the exact labels copied later by lithographers in New York. "Alexander Humboldt" set, collection E, five pieces to the set, made abroad in 50M sets, at $13.50 per 1,000 sets; adding duty makes the actual cost $23.40.

The same designs, samples F, are domestic work copied from the imported. This set has six pieces, an additional long back strip, and the manufacturers' selling price to the trade is $16.15 per 1,000 sets of six pieces. If the importers had furnished this additional back strip the German cost would be $15, or, with duty added, $25.65, against the selling price of $16.15 for domestic work.

Samples H, foreign work, cost $10; with duty added, $14.80. Samples J, domestic work, copied from the imported goods, is sold at less than $10.

The loose samples of Mi Favorita and La Gira labels submitted are German work. The inside label Mi Favorita and the set La Gira are printed in metal leaf. The same designs which appear on

and inside of cigar box and covers are domestic work, also printed in metal leaf and copied from the imported. These samples demonstrate that metal-leaf work is produced in America with the same facility and excellence as abroad, and the testimony will show that these specimens can no longer be imported in competition with domestic work.

The present duty of 50 cents per pound on this class of label averages 73 per cent ad valorem.

The foregoing data are drawn from the testimony of Mr. Wagner, whose business is importing and selling cigar labels.

We direct especial attention to the testimony of Mr. Jacob Laux, of Chas. Stutz Co., purchasers of American goods as well, which we summarize.

Sample No. 1, originally made in Germany and bought here at $27.50 per M sets, was afterwards reproduced here at $17.50 per M.

Sample No. 2, sold in Germany, including duty, at $22.50 per M sets; reproduced here at $13.50 per M.

Sample No. 3 was made here and sold to Chas. Stutz Company in 200 M lots, ins and outs, at $5.40 per M. The very best price made on this set abroad in same quantities was $8 per M; if duty were added, the cost would be $12.80 per M.

Sample No. 4 was bought in May, 1901, from domestic lithographers by Charles Stutz Co., in an edition of 50 M (ins, outs, and flaps), which was reproduced from an imported design, at $12.85 per M for the three pieces. This was a reproduction of the La Elegancia set and flap "A. M. C." referred to in the testimony of Mr. Wagner, the total German cost, plus duty, being $19.70 per M.

The testimony shows:

That the samples offered are typical of the whole line.

That the importation of cigar labels, flaps, and bands is confined to not over four or five firms, of which the witnesses represent the most important.

That in no single year under the present act have the importations totaled in value $200,000.

It needs no argument to demonstrate that here is what might be an important source of revenue cut off by the prohibition rates of the present act.

At the same time, the importing firms, one of which, after twenty years of effort, has constructed a business occupied solely with these lines, are being threatened with ultimate extinction.

It is also shown that American lithographers, besides possessing a practical monopoly of the trade in cigar labels on this side, have for many years invaded the foreign markets, particularly Germany, where imported labels are produced.

The lithography and printing of cigar labels, it is shown, have made such great advances in the last twelve years that the present rates, if at any time justifiable, are now clearly exorbitant.

Furthermore, German labor in this industry, it appears, is much slower than American, 4,000 sheets of paper constituting a day's run there against 6,000 to 7,000 sheets here in the same space of time.

Another difficulty the importers labor under is presented by the domestic imitations of their original designs, saving the American lithographer the expense of an original painting or sketch, and the work of the artist-lithographer who draws such design on stone. The

testimony shows the great saving effected by copying a design from the printed label.

The high specific duties forbid the foreign label being printed on the same weight of paper as used in the domestic goods, which show the embossing to better advantage after the label is pasted on the box by reason of the thicker stock.

More particularly referring to *cigar bands*, it is shown that these goods are made by domestic lithographers and sold to the trade at practically the same prices as they are sold for in Germany for export, excluding duty.

It is submitted that the provisions of paragraph 400 of the tariff act of 1897, relating to cigar labels, flaps, and bands should be revised as follows:

Lithographic cigar labels and flaps, lettered or blank, printed from stone, zinc, aluminum, or other material, if printed in less than eight colors (bronze printing to be counted as two colors), but not including labels and flaps printed in whole or in part in metal leaf, 10 cents per pound; if printed in eight or more colors, but not printed in whole or in part in metal leaf, 15 cents per pound; if printed in whole or in part in metal leaf, 30 cents per pound. Cigar bands, if printed in colors and bronze, 15 cents per pound; if printed in colors and metal leaf, 40 cents per pound.

The provision of paragraph 400, calling for bronze printing only, is purposely omitted, there being no such class of goods imported.

As the samples submitted in evidence show, about one-half the space of a label or flap is blank paper.

The value of such paper, it is shown, runs about 8 cents per pound. for which paper, under the present provision, the same duty is exacted as if the whole were covered by a design, as in the case of ordinary lithographs.

A separate provision is therefore suggested for cigar bands, which are entirely covered with printing and are, moreover, cut to shape.

The testimony offered fully supports the revision asked and shows that the rates suggested to this committee are entirely in accord with ample protection to American industry.

Dated, Washington, November 21, 1908.

KAPPLER & MERILLAT,
Washington, D. C.
KAMMERLOHR & DUFFY,
New York.
LOUIS C. WAGNER & Co.,
New York.
CHARLES STUTZ Co.,
New York.

AFFIDAVITS RELATIVE TO CIGAR LABELS SUBMITTED BY JOHN G. DUFFY AND LOUIS C. WAGNER.

SATURDAY, *November 21, 1908.*

CITY AND COUNTY OF NEW YORK, *State of New York, ss:*

Jacob Laux, being duly sworn, says: I am a member of the Charles Stutz Company, of New York; the business of said company is the manufature of cigar boxes and the sale thereof, together with cigar labels and flaps, to the trade. I have read the brief submitted to the committee on the 21st instant and do declare that the figures stated therein with reference to specimen labels sub-

mitted to the committee, marked Sample No. 1, No. 2, No. 3, and No. 4, are correct and true within my knowledge; that said specimens were obtained by me in the ordinary course of trade and that the prices set forth were the actual prices paid by us in ordinary course of business; that our company purchases domestic labels as well as the imported ones, and that we find that the domestic article is and has been for some years crowding the imported labels out of this market. So much is this true that the importation of cigar labels is now carried on by not over four or five firms, whereas there has been a great increase in their consumption within recent years.

I was present at the hearing of the committee on the 21st instant and heard the statement of George R. Meyercord, the first gentleman heard that day. The congestion of business before the committee prohibited my having a hearing, and I desire now to contradict certain statements of Mr. Meyercord. He said that in some instances the rates he proposed were double the present rates, but that this would not be so in others. With only three exceptions, the rates proposed by him on cigar labels, flaps, and bands would be double, treble, or quadruple the present duties. He proposed an additional duty of 10 cents per pound on all goods showing an embossing. In ninety-nine cases out of one hundred domestic as well as imported labels are embossed, and every cigar band, without exception, is embossed.

Many labels are imported printed in five colors and bronze, the bronze printing under the present tariff counting as two colors, though the actual commercial value of such printing has never been considered more than one and one-half colors. This class of labels is now classified as printed in seven colors, duty at 20 cents per pound. Under Mr. Meyercord's schedule it would be considered eight colors and, with the additional duty for embossing, dutiable at 50 cents per pound.

Cigar bands printed in five colors and bronze and embossed, dutiable at present at 20 cents per pound, would pay 90 cents per pound according to Mr. Meyercord. It is so evident that Mr. Meyercord's entire schedule is outrageously high that I forbear going through the list of rates and classifications proposed by him on cigar labels, flaps, and bands.

Referring to the statement of Mr. Meyercord that European manufacturers have taken the largest part of the market from domestic lithogaphers, I have to state that it is my experience that cigar bands, as well as labels and flaps, are produced and sold by domesic manufacturers at about the same price as similar goods would cost us in Germany.

I do not believe the statement of Mr. Meyercord, in answer to Mr. Crumpacker's question, that an importer of these goods "has a better footing by 25 per cent" than the domestic manufacturer. As I have stated, domestic work is produced and sold to the trade at the same prices and in many cases lower than the foreign cost of like goods. Besides, the importation of cigar labels in the last ten or twelve years has not increased, but has rather decreased, so that Mr. Meyercord can not be referring to this class of work when he makes the statement that imports have increased 1,000 per cent under the Dingley Act.

In conclusion, Mr. Meyercord admits that the Wilson-Gorman Act allowed the American lithographers reasonable protection. As the present rates in the Dingley Act are higher on cigar labels, flaps, and bands than they were in the Wilson-Gorman Act, any advance now would immediately destroy the entire importing business in this line.

JACOB LAUX.

Sworn to before me this 30th day of November, 1908.

[SEAL.] PETER J. HALPIN,
Notary Public, No. 265, N. Y. County.

CITY AND COUNTY OF NEW YORK, *State of New York, ss:*

Louis C. Wagner, being duly sworn, says: I am the Louis C. Wagner mentioned in the brief for importers of cigar labels, flaps, and bands. I have carefully examined the figures in the tabulation and do declare of my own knowledge that the same are correct and true; that said figures represent the actual selling prices in Germany of the labels and prints referred to. I have also examined the comparison of cost and selling prices here and in Germany between the domestic and imported labels referred to in said brief as Samples K, G, E, F, and H, or otherwise described by their particular names, e. g., "Mi Favor-

ita," and do declare that the same, as actually current in the market, are correctly set forth in said brief, and further that these labels represent the whole line of such merchandise as now dealt in. I am the largest importer of cigar labels, flaps, and bands. Beside myself there are at most four other firms engaged in this business, in which under the Dingley tariff act the importations have in no single year equaled $200,000 value.

I unqualifiedly deny the statement of Mr. Meyercord so far as the same relates to cigar labels and flaps, which statement reads:

"Mr. MEYERCORD. You must understand, Mr. Chairman, that there is a large part of this business that is original orders, quick delivery, duplicates, with only six months' time given. It is the duplicate business, or the staple end of the game, that the importer is now getting the better of the American manufacturer."

The situation in my trade is precisely the reverse of what Mr. Meyercord alleges. Orders for duplicate editions are made here almost entirely, being copied from the imported designs. This is because of the present excessive duties.

LOUIS C. WAGNER.

Sworn to before me this 30th day of November, 1908.

[SEAL.] CHARLES C. SHIELDS,
Notary Public.

CITY AND COUNTY OF NEW YORK,
State of New York, ss:

Hugo Brüning, being duly sworn, says: I am a member of the firm of Heinrich & August Brüning, manufacturers of cigar labels, flaps, and bands, whose place of business is at Hanau, Germany. I happen to be at this time making a tour of the United States and Canada seeking to obtain orders. I have met Louis C. Wagner and Jacob LAUX, of this city, who have acquainted me with the pending revision of the tariff, and I desire to make a brief statement under oath, which I was prepared to do on the 21st instant before the committee at Washington but, because of the lack of time at the committee's disposal, I could not be heard.

It is a fact that foreign manufacturers find it very difficult to sell in this country any cigar labels and flaps other than first editions; these we are able to sell in some measure, for the reason that we present novel designs which make a strong appeal to the trade. Once our first edition is produced here the American lithographer easily copies it, and is able to sell subsequent editions of the same design well under our figures. It is rare that we can market in this country an edition exceeding 10,000 sets, whereas editions of 50,000 form a very large proportion of the sales made here. Abroad the foreign lithographer is meeting active competition from American goods which are put out there at prices lower than I find quoted here in New York by the same manufacturers, and even lower in many cases than we are able to sell at. The duties on such work in continental countries are generally so trivial as not substantially to figure in the cost of marketing the goods.

With regard to the conditions in German factories (where all imported cigar labels, flaps, and brands are made), I desire to state, speaking from my experience: The workmen there are not as quick as American workmen; their usual day's run is between 3,500 and 4,000 sheets, but never over 4,000; they work eight and one-half hours every day except Saturday, when the time is seven and one-half hours. In the United States a day's run is from 6,000 to 7,000 sheets.

In answer to some of the statements I heard Mr. Meyercord make before the committee, I declare: Wages of lithographic workers in Germany are not lower than those prevailing elsewhere on the Continent; they are as follows: Lithographic artists, 32 to 45 marks per week (eight hours per day and seven hours on Saturday); press printers, 27 to 40 marks per week; feeders, 17 marks per week average. There are no free artists' schools for lithographers maintained in Germany, as alleged by Mr. Meyercord. Only the evening schools, such as are common in this country, are maintained by the state without charge. The labor unions have a strong organization in Germany and have succeeded in many factories in limiting the number of apprentices to be employed, which has and will continue to have as a natural result the steady growth of wages in this industry. If the differences between wages here and

abroad alleged by Mr. Meyercord actually existed that fact would long since have been evidenced by substantial emigration to this country of German lithographers. I know that no such emigration has occurred.

HUGO BRÜNING.

Sworn to before me this 28th day of November, 1908.

[SEAL.] CHARLES C. SHIELDS,
Notary Public.

STATEMENT OF I. WOLF, JR., OF PHILADELPHIA, RELATIVE TO DUTIES ON LITHOGRAPHIC PRINTS.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. What do you wish to talk about, Mr. Wolf?

Mr. WOLF. I just want to make one or two remarks in reference to the importation and manufacture of lithographic prints in this country and abroad. We are one of the largest producers, I believe, of American lithographic goods in this country, and at the same time the largest importers of foreign goods. The question of increasing the business has been largely on account of postal cards in the last few years—that is, the large increase in the lithographic business in the last few years has been a question of postal cards, and we are importing them in very large quantities, but we find that now within the last year the product in America is becoming very large, and we can not with the foreign goods compete, as against the American goods. In other words, we are buying goods in Europe which cost us 8 marks, or $1.94, a thousand in lots, and we can buy the same goods produced in this country for $1.65, and the lithographers here give equally good work as we get abroad. The duty on postal cards is 5 cents a pound, and they weigh about 10 pounds to the thousand, and that would be 50 cents a thousand. In other words, the goods that cost us 8 marks in Germany, and figuring the duty at 50 cents, would make the imported goods stand us $2.44.

We can submit to you gentlemen estimates and samples of both the foreign and American production, and I think we are fully protected in the American market by the duty now existing.

Mr. BONYNGE. Do you want any change made in the duty?

Mr. WOLF. No, sir; we do not want it reduced.

Mr. BONYNGE. You do not want it reduced?

Mr. WOLF. We will take a reduction, but we do not ask for it. The printers are fully protected, and we think the present mode is a very just mode of assessing the duty. When the duty was at the Dingley rate a number of foreign manufacturers would fix the price so that it was difficult to arrive at the value. It was very difficult to get at the proper value, and the American lithographers at the time the last bill was passed met and agreed upon this bill; we agreed upon this bill ourselves, and agreed that it was the most fair arrangement that could be made, so that the United States Government could collect the same rate of duty from everybody, and not give the foreign manufacturers any advantage, so far as the rate of duty was concerned.

Mr. HILL. Are your goods admitted free now to Germany?

Mr. WOLF. Yes.

Mr. BONYNGE. Do you send any of your goods to Germany?

Mr. WOLF. Comparatively little.

Mr. HILL. France does, does she not?
Mr. WOLF. France sends some to Germany.
Mr. HILL. And they go in free?
Mr. WOLF. Yes.
Mr. GAINES. Do we send any to France and Germany?
Mr. WOLF. The exportation is very little. The French have not gone into the art work in that line. The class of goods imported from Germany to America are lithographic prints, which are comparatively art reproductions, and also things used for advertising purposes. The American market up to the present time has occupied itself largely with lithographic prints for advertising purposes. They are going largely into calendars and advertisements, which go into foreign countries.
Mr. HILL. What countries do you export to?
Mr. WOLF. To England and to Germany.

THE ROSE COMPANY, PHILADELPHIA, PA., ASKS INCREASED DUTY ON POST CARDS, CALENDARS, AND PICTURES.

PHILADELPHIA, PA., *November 25, 1908.*

CHAIRMAN COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIR: We beg to submit to you the following, relative to the duty on post cards, calendars, and pictures:

When the present tariff was established there was no post card and very little domestic calendar industry in this country, therefore no tariff was arranged to protect it. Since that time the business has developed enormously, and millions of cards are now being manufactured every month. Far greater quantities of cards are being imported than are manufactured here, however, and for obvious reasons. Our cost for labor is far in excess of the European cost, and European manufacturers have the advantage of hundreds of thousands of old plates that they are utilizing on cards shipped to this country.

European manufacturers of post cards, pictures, and calendars openly state that American manufacturers have made great progress within the past few years, and are strong competitors, but that they are safe so far as the better class of work is concerned, because the cost of American labor will not permit the production of the higher class of work at prices to compete with the foreign production. This is manifestly true, because the duty of 5 cents per pound is absurd. A thousand post cards weigh about 8 pounds, and the duty of 5 cents per pound is very little protection on a cheap card, and on a high-priced article the duty is absolutely no protection whatever.

If American manufacturers and publishers were given fair protection, it would mean tremendous strides toward the betterment of the industry. It would be a great encouragement to thousands of artists, engravers, printers, pressmen, and to manufacturers of cardboard and paper.

Work produced during the past year by many of the American publishers proves beyond question that so far as quality of work is concerned there will be no difficulty whatever in producing it if rea-

sonable protection is assured. There is no reason why the tariff should not be raised. This class of work is not a necessity, but a luxury. If the prices were slightly increased to the consumer, it would work no hardship to anyone, but, as a matter of fact, there would be no increase in the retail selling prices, and very little, if any, in the wholesale prices.

During the past year, owing to the business depression in Europe, post cards, calendars, and pictures have been thrown into this country, millions at a time, at prices so low that American manufacturers could not possibly produce them at the price. A few American jobbers have been the gainers by this, and foreign manufacturers and mechanics have been enormously benefited, but thousands of American artisans have suffered and have been thrown out of employment.

We feel that in the interest of the advancement of art, in the improvement of methods and workmanship, and in the interest of the many thousands of people now employed in this industry, and the many thousands more who will be employed if the change is made, this matter should be given a favorable consideration.

We ask for a duty of not less than 50 per cent on printed. engraved, or lithographed pictures, calendars, and post cards.

Yours, very truly,

THE ROSE COMPANY.
H. M. ROSE.

SAN FRANCISCO MAKERS OF POST CARDS ADVOCATE A DUTY OF ONE-FOURTH OF ONE CENT PER CARD.

SAN FRANCISCO, CAL., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: The undersigned manufacturers of picture postal cards hereby petition your committee that in the revision of the Dingley tariff protection be given to the manufacture of picture postal cards in the United States by imposing on all imported picture postal cards a duty of one-fourth of 1 cent per card.

Some forty odd years ago the publishing of picture postal cards started in Europe in a small way and grew slowly for the succeeding twenty years or more. Thereafter this industry made tremendous strides, so that now some of the foreign factories are as large as our woolen mills, some of them employing as many as 5,000 workmen. The official estimate of the number of souvenir postal cards passing through the British post-offices last year was 500,000,000, and the value placed on these cards was estimated at $5,000,000.

In the United States picture postal cards became a fad first about fifteen years ago. They have grown in favor rapidly, until to-day we probably use more picture postal cards than any other country. It is estimated that as much as $200,000 a day is spent for these cards in the United States. Unfortunately, however, only a very small percentage of these cards is made in this country at the present time. We imported from Germany alone during the year 1907, 725,560,000 cards, which is more than half the total export from Germany. Owing to the big lead obtained by foreign manufacturers, American

manufacturers made slow progress at first, but by degrees they have been able to increase their business in spite of foreign competition. Being nearer the market, knowing the correct coloring of local views, and having other small advantages, it was possible for the American manufacturer to increase the size of his runs. By making large editions it was possible to improve the work and reduce the prices; but every time the American manufacturer lowered his prices the foreign manufacturer cut under him, until now the foreign manufacturer makes a much lower price to American importers than that at which he sells at home. The greatly increased use of picture postal cards has been the main factor in enabling the American manufacturer to progress at all, as the demand appears to be greater than the supply. There, however, appears to be no good reason why every card that is used in America should not be manufactured here, and this can be done if the American manufacturer is given reasonable protection. A few years ago picture postal cards were on sale in about 100 stores and shops in the United States; to-day they may be had in 80,000 different places.

With protection the American manufacturer could not only make scenic postal cards, to the manufacture of which he is now practically confined, but could also manufacture art, novelty, and special day cards. The demand for cards is tremendous, as we have already shown, and with American manufacturers enabled to supply this demand employment would be given to thousands of employees at good wages, with reasonable hours, doing artistic and congenial work that would make the employees not only prosperous but happy and contented. Such protection would work no hardship on anyone excepting the foreign manufacturer and would prevent the sending of millions of dollars out of the country every year. It is not the purpose of the American manufacturer to raise the price of picture postal cards, but it is to enable him to meet with foreign competition that protection is asked.

The principal item entering into the cost of picture postal cards is wages. In the United States the manufacturers of these cards pay their employees four and five times the amount paid to men of the same relative capacities in Europe, and pay their employees as many dollars per day as the manufacturers in Japan pay cents. Japan has recently commenced manufacturing picture postal cards in a large way, and competition from that source will soon be so keen and fostered by such favorable conditions to the Japanese manufacturer in the lowness of their wages there that the American manufacturer without protection can not hope to compete successfully. In foreign countries the working day is 10 hours or longer, while in America it is 8 hours, and the American manufacturer, in addition, pays time and a half for overtime and gives double pay for Sundays and holidays. Another element entering into the cost of picture postal cards is the price of materials, which is much higher in America than in foreign countries.

At the present time picture postal cards have no distinct classification; the result is that no uniform duty is charged on them at the various ports of entry. The custom-house inspectors vary the charge in different ports, some passing picture postal cards as printed matter at 25 cents ad valorem, others as lithographed cards at 5 cents per pound, and a few others at still higher rates under various classifications. Picture postal cards should have a separate and dis-

tinct classification of their own, so that the rate of duty thereon could be uniform. This duty might be figured by the pound or by an ad valorem tax or by a fixed amount per card. The first two methods would doubtless make it necessary to grade the quality of the work, making a lower rate on printed cards, an intermediate rate on cards that were partly printed and partly lithographed, and a higher rate on straight lithographed work. A tax of a fixed amount on each card appears to be the most satisfactory tax, as it eliminates all question as to the exact process by which the cards were made, whether printed, lithographed, or made by both processes, and would thus make it impossible to deceive inspectors.

This method also has the advantage of being the method already adopted in the Dingley tariff with reference to playing cards, which pay a duty of 10 cents per deck; each deck contains 52 cards, so that this rate is almost exactly one-fifth of 1 cent per card. Picture postal cards could easily bear a rate of one-quarter of 1 cent per card if playing cards bear a rate of one-fifth of 1 cent a card. The result of protecting playing cards has been seen in the great development of factories making playing cards in the United States and the increased employment of workmen in these factories. The same result would follow a protection given to picture postal cards.

The Government would be justified in making the rate on picture postal cards higher than the rate on playing cards, because the Government itself derives a return from the use of postal cards. Under the present rates of postage the Government receives an income of 32 cents per pound from domestic letters, while postal cards pay a revenue to the Government of over $1 per pound.

The phrase "picture postal cards" has been used throughout this brief, as it is a phrase that clearly covers and describes the sort of cards for which protection has been asked. The technical name for these cards as established by law and international agreement is "post cards," which distinguished the picture postals from the ordinary postal cards printed by the Government.

Respectfully submitted.

EDW. H. MITCHELL.
BRITTON & REY.
SCHMIDT LITHOGRAPH CO.
THE UNION LITHOGRAPH CO.,
B. S. HUBBARD, *President.*
GALLOWAY LITHOGRAPHING CO.,
WM. HAGEN.
LOUIS ROESCH COMPANY,
LOUIS ROESCH, *President.*

THE LITHOGRAPHERS' INTERNATIONAL PROTECTIVE AND BENEFICIAL ASSOCIATION ASKS TARIFF PROTECTION.

JERSEY CITY, N. J., *November 28, 1908.*

Hon. SERENO E. PAYNE, M. C.,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I am aware that your time is very limited; nevertheless, as I represent an organization the members of which will be

very much affected by any mistakes made or by an unjust revision of the tariff, I take the liberty of addressing these few lines to you.

The very principle of a protective tariff is for the purpose of protecting the investment of American capital and to permit such wages to be paid as will allow our wage-earners to live up to the American standard of living. And whensoever this issue has been placed before the American people for a decision it has been sustained by an overwhelming majority.

It appears to me that those who are at the present shouting loudest for a revision of the tariff should draw aside the mask so as to show their true colors as advocates of free trade. To-day we find our country flooded with foreign lithographs, which is not due to any overcharges or monopoly of the American lithographer, but which is due to the difference in the methods of living between the American and German wage-earner.

His wants are fewer, and consequently his earnings satisfy his wants. Have him make America his home, and his wants increase. He looks to be better clothed, his home is brightened with the custom of American homes, his increased wants require better wages, and it is this in turn that keeps the wheels of machinery going.

Our country owes its greatness only to the fact that the wage-earner has been able to get something more than a mere existence, and to change those conditions means a defeat of the party that is responsible for the same.

I will not on this occasion touch upon the figures. They can be obtained by your committee. It is enough to say that the hundreds of thousands of dollars worth of lithographs that are brought into our country should be done here by our workmen, who in turn will spend their earnings for American manufactured goods.

Hoping this will receive your attention, I remain,

Very truly, yours,

FRANK GEHRING,
General President Lithographers' International Protective and Beneficial Association of the United States and Canada.

Letters in similar vein to the above, asking additional protection for post cards, calendars, sample cards, and the like, were received from the following: Chilton Printing Company, Philadelphia, Pa.; Eugene A. Behr, 29 Mercer street, New York City; J. C. Marble & Son, Mangum, Okla

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GARTNER & BENDER, CHICAGO, ILL., ASK A DUTY OF THIRTY-FIVE CENTS PER POUND ON POST CARDS.

CHICAGO, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are informed that some action will be taken in the next session of Congress on the tariff, and that the matter of the duty on post cards will be taken up. We are publishers of souvenir post cards and are of course interested in this matter very much. Our greatest competition is European-made cards.

We find that the protection offered American publishers of souvenir post cards is not sufficient, mainly because European labor is considerably cheaper than American labor, and the duty of 5 cents per pound is not sufficient protection for American publishers to overcome the difference in the labor. The industry in this country is still in its infancy and should be encouraged. European competition is becoming keener, because foreigners now realize the possibilities of the American market.

For the past two seasons we have attempted, in competition with European makers, to manufacture what is known as "season's goods"—that is, Christmas, New Year, valentine, and Easter souvenir post cards. This class of goods is now being offered to us by foreigners at such prices that it is not profitable for us any longer to manufacture them. This will necessarily lead to the discharge of a certain number of the employees now in the engraving and the printing departments. We believe this condition prevails also among other color printers and lithographers. All first-class color printers and lithographers will probably take up publishing of souvenir post cards if these conditions are bettered and they are protected from foreign competition, and thus a great many thousand people will be benefited.

We sincerely trust that a favorable tariff will be obtained. A 5-cent per pound duty is ridiculous. A rate of 35 cents per pound would be desirable and proper protection for domestic manufacturers.

Yours, respectfully,

GARTNER & BENDER.

THE CRESCENT EMBOSSING COMPANY, PLAINFIELD, N. J., ASKS MORE PROTECTION FOR CALENDARS AND POST CARDS.

PLAINFIELD, N. J., *November 30, 1908.*

Hon. S. E. PAYNE, M. C.,
Washington, D. C.

DEAR SIR: As color printers and embossers, we are interested in the tariff on calendars, post cards, etc. When the present tariff was enacted this business amounted to practically nothing in this country, but it has since grown to very large proportions in spite of the fact that German manufacturers have been dumping large quantities of their stock at sacrifice prices on the American market. This has especially been the case during the last twelve months on account of general business depression everywhere, and it has also been especially hard on the American manufacturers during that time.

With the return of business prosperity now setting in, the manufacture of post cards, pictures, and calendars in this country can be developed wonderfully, if foreign goods are made to pay a reasonable duty. The present duty on post cards is only 5 cents per pound, which is practically nothing on high-priced cards, as it amounts to but about 35 cents to 40 cents per 1,000, and it seems a shame that the post cards representing views of all American cities should be made almost entirely in Germany, as they are at present. We do not feel that the American manufacturers are going out of business if the tariff is not made more protective, but we do feel that a reasonable increase in the tariff, amounting to 25 cents to 35 cents per pound,

would result in a wonderful development of the industry in this country.

Very truly, yours,

CRESCENT EMBOSSING CO.,
FRED C. LOUNSBURY, *President.*

GEORGE R. MEYERCORD, CHICAGO, ILL., FILES SUPPLEMENTAL STATEMENT RELATIVE TO LABOR IN FOREIGN LITHOGRAPHING ESTABLISHMENTS.

CHICAGO, *December 1, 1908.*

WILLIAM K. PAYNE,
Clerk Committee on Ways and Means, Washington, D. C.

DEAR SIR: On Saturday, November 21, the chairman asked me to file some statistics as to where we got our prices on labor shown in the brief.

We inclose herewith two original letters, one from the firm of G. Lowensohn, a lithographer in Furth, Bavaria, South Germany; also a letter from Segitz & Neidhardt, who quoted the rate of wages paid by his customer, Richard Fuchs, a lithographer in Berlin. I also inclose translated copies of both letters.

Comparison of these wages with the schedule paid by the National Association of Employing Lithographers will show the rate to be exactly one-fourth, as we claim. I may state that I will probably secure a copy of the agreement between the employers association and the union in Germany. Failing in that, I will probably secure a printed copy of the official scale of either the employers or the unions in Germany.

I further desire to make this offer: The Ways and Means Committee can, at their pleasure, send a special agent to any member of the National Association of Employing Lithographers, who will throw open his books for an investigation as to wages paid and the percentage of gross sales they bear, and to arrive at an average the special agent is perfectly at liberty to go into a dozen or more firms belonging to our association and investigate anything he wishes, and thus corroborate our statements. We will throw wide open the books of any member of our association. The special agent can pick at random whichever firms he wishes.

I also inclose copy of the official publication of our association, giving shop rules and quoting wage statistics.

The chairman asks us to file by dollars, not by quantities, the percentage compared to the whole amount of the various items entering into the manufacture. I quote this list below:

	Percentage of total cost of production.	Duty under present tariff.	Amount in dollars of total cost of production.
	Per cent.		
Wages	41		$7,175,000
Paper (surface coated)	29½	$0.555	5,162,500
Color	3	.30	525,000
Bronze powders and metal leaf	1½	.22½-.909	262,500
All other materials	16	.20-.45	2,800,000
Insurance, rent, and power	7		1,225,000
Superintendence	2		350,000
			17,500,000

Trusting this information is satisfactory and what the chairman wishes, I am,

Yours, very truly,

GEO. R. MEYERCORD,
THE MEYERCORD CO.,
Decalcomania Transfers.

EXHIBIT A.

FURTH (BAYERN), *September 1, 1908.*

Mr. CARL NEIDHARD,
Care Segitz & Neidhard:

In answer to your letter, I am pleased to give you herewith the wages paid to our lithographic help.

The minimum wages paid after the expiration of the apprenticeship of the lithographic artists as well as for the lithographic printers and transferrers in Germany are 19 marks, or equal to $4.75 per week. In general, the lithographic artists are paid, in accordance to ability, from 22 to 33 marks, or from $5.50 to $8.25 per week. Lithographic printers are paid directly after the time of their apprenticeship 19 marks, or $4.75 per week, and later on, in accordance with their ability, 22 to 33 marks, or $5.50 to $8.25 per week; lithographic transferrers from 25 to 30 marks, or from $6.25 to $7.50 per week. The help for sticking up transfer impressions and for finishing up the transfer from 25 to 33 marks, or $6.25 to $8.25 per week.

A regular scale of wages does not exist with us, for the reason, as explained above, the rate of wages is in accordance with the ability of the help in the different departments.

With kindest regards,

G. LOWENSOHN.

EXHIBIT B.

SEPTEMBER 5, 1908.

Mr. FRANK A. STECHER, *Rochester, N. Y.*

DEAR MR. STECHER: I have just received from one of my customers, Mr. Richard Fuchs, a large lithographic establishment in Berlin, Germany, the following information as to the scale of wages paid to the German lithographic workmen:

	Per week.	
	Marks.	Dollars.
Lithographic artists, one year after expiration of apprenticeship	21	5.25
Average workmen	25	6.25
Better class of workmen	30–35	7.50–8.75
Highest class of workmen or foremen	50 or more.	12.50
Lithographic pressmen and transferrers:		
Pressmen	30–40	7.50–10.00
Provers	25–35	6.25–8.75
For sticking up transfers	24–30	6.00–7.50
Transferrers	25–35	6.25–8.75
Foremen in printing room	40 or more.	10 or more.

We find the average number of hours of work to be the same as in the United States, eight hours for the artists, and nine for the printers and transferrers. In comparing the wages of the lithographic work-

men in Germany with those that are being paid in the United States, we notice that the average for artists, printers, and transferrers is 30 marks, or equal to $7.50, while that paid in the United States is $25 per week, or 340 per cent higher than in Germany.

Yours, truly,

SEGITZ & NEIDHARDT,
Fuerth, Bavaria.

EXHIBIT C.

SHOP RULES OF THE NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS, AS AMENDED MAY 10, 1907.

2 A. *Foremen.*—The foremen employed in the shops shall at no time be in any manner affiliated with any labor union whatsoever, but shall be nonunion men in the strictest sense of the term.

1. No journeyman shall be employed, after the adoption of these rules, unless he signs the antistrike contract. [The board of directors ordered, May 10, 1907, that each workman signing an antistrike contract shall receive the protection contract.]

2. *Time.*—The hours of work of commercial artists, engravers, and designers shall be forty-eight hours per week, excepting in shops where forty-seven and one-half hours have been the rule, in which cases the houses shall have the privilege of continuing these hours; all other lithographic departments, fifty-three hours per week.

Overtime is any time other than the regular working hours of the establishment, even though the employee may not have worked the full regular time of the week in question, except when the regular time lost was due to the voluntary action of the employee. It shall be paid for at the rate of time and one-half. Legal holidays and Sunday work shall be paid for at the rate of double time.

All employees must be at their machines or benches ready to work at the starting signal and remain there until the stopping signal.

3. *Pressmen.*—Pressmen shall run two presses when required. In such case he shall receive extra pay, which shall be 40 per cent of the minimum scale price of the extra press which he shall run.

4. Pressmen, feeders, and tenders must do any work required to be done about the press in order to get it running.

When presses are not running, feeders and tenders must do any work required of them.

5. *Transferrers and provers.*—Journeymen transferrers and provers shall work with such help as the employer may provide.

6. *Rotation in employment.*—Journeymen may be employed to do either transferring or proving or running a press from time to time as may be required, but no man is to be paid less than the scale for the kind of work that he may be doing, nor shall his regular wages be reduced on account of such rotation of employment.

7. *Bonuses.*—Bonuses or premiums may be paid at the discretion of the employer only to employees who have been continuously employed for one year in the establishment paying the bonus, but no bonuses shall be used to determine a man's rate of wages.

8. *Piece and contract work.*—Piece work shall be allowed in the designing, art, and engraving departments. Contract work may be done also; but where a contractor in the employ of the members engages men under him, he must agree to conform to all association rules, as if he were a member of this association, provided that all piecework and contract men shall have an established rate of wages.

9. *Apprentices.*—Operation suspended until further order of the board of directors, in accordance with recommendation made at annual meeting National Association of Employing Lithographers, May 8, 1907, to the effect that the exact ratio of apprentices be fixed by the board of directors and be put in operation at such time as the board shall determine.

After the annual meeting of May, 1907, apprentices shall be as follows (these ratios not to be exceeded):

One apprentice transferrer to each three journeymen or major fraction thereof.

One apprentice prover to each three journeymen or major fraction thereof.

One apprentice engraver or artist to each four journeymen or major fraction thereof.

One apprentice pressman to each four journeymen or major fraction thereof.

Provided, however, that one apprentice shall be employed in each department in each shop.

In any shop on above date where the apprentice ratio exceeds the above no further apprentices shall be employed until the ratio is reduced to the above.

Apprenticeship term.—For designers, artists, and engravers, five years; for provers, transferrers, and pressmen, four years.

It is recommended that every apprentice, other than for designer, artist, or engraver, first serve a probationary term as feeder for six months, except the graduates of the Winona Trade School.

The apprenticeship term of graduates of the Winona Trade School shall in all departments be two years.

It is recommended that the following apprentice scale of wages be adopted throughout the country, but each group may determine upon a scale for itself:

For apprentice designers, artists, and engravers:

	Per week.
First six months	$3
Second six months	4
Third six months	5
Fourth six months	6
Fifth six months	7
Sixth six months	8
Seventh six months	9
Eighth six months	10
Ninth six months	12
Tenth six months	14

For apprentice provers, transferrers, or pressmen:

	Per week.
First six months	$4
Second six months	5
Third six months	6
Fourth six months	7
Fifth six months	8
Sixth six months	9
Seventh six months	10
Eighth six months	12

(This entire section in reference to apprentices is suspended pending action of the board of directors, in accordance with the notice printed at the beginning of this section.)

10. *Scale of wages.*—The following minimum scale of wages is hereby established for journeymen:

	Per week.
For proving and transfer departments	$20
Artists	20
Commercial engravers	20
Map and mechanical engravers	15
In the printing department:	
For Nos. 1, 2, and 3 stone presses	20
For Nos. 3½–4½	22
For Nos. 5–5½	25
For one-color rotary	25
For two-color rotary	27
For three-color rotary	30

Feeders and stone grinders.—Groups may establish their own minimum scale of feeders' and stone-grinders' wages.

Feeders shall be at the press ten minutes before starting time in order to oil up, place the rollers in the press, etc., and shall remain fifteen minutes after the stopping time in order to thoroughly "wash up."

For this extra twenty-five minutes per day they shall be paid $1 extra per week, or at overtime rate.

Houses, if they prefer, may employ oilers or cleaners to do this work.

Groups shall have the privilege of modifying the method of feeders' work and time to suit their local requirements, but they should be uniform in each group.

THE ROSE COMPANY, OF PHILADELPHIA, PA., SUGGESTS A FIFTY PER CENT DUTY ON PICTURE POST CARDS.

PHILADELPHIA, PA., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to supplement our letter of the 25th ultimo, as follows:

The post cards that are now being imported under a duty of 25 per cent should be included in the same classification as other post cards.

Holiday cards, such as Christmas, New Year's, Thanksgiving, etc., whether post cards or not, should come under the same classification.

We beg to refer you to the report of Vice-Consul James L. A. Burrell, of Magdeburg, Germany.

According to the Statistisches Jahrbuch für das Deutsche Reich, the value of picture post cards exported from Germany to the United States during 1907 was 13,190,000 marks ($3,139,220), as opposed to 4,080,000 marks ($971,040) in 1906. The total value of the post card export of Germany to all countries is given as 25,835,000 marks ($6,148,730) for 1907, and as 11,628,000 marks ($2,767,464) for 1906.

According to this report, during the year 1907, in round figures, $2,600,000 worth of post cards were imported from Germany alone in one year at an average of $4 per thousand, which is as nearly correct as any estimate can be. The duty on these cards on a basis of 8 pounds at 5 cents per pound or 40 cents per thousand, would total $260,000, and the average cost to the importer was $4.40 per thousand, or $2,860,000.

If a duty of 50 per cent were levied and only $520,000 worth of cards were imported, the United States Government would receive a revenue fully as large as it did receive during the time specified. It is certain that no matter what duty is levied some cards will be imported on account of originality of design, novelty in make-up, or some other extremely attractive feature, and we think the above estimate is a very fair one.

On the above basis, over $2,000,000 worth of cards would have to be manufactured in this country to supply the deficiency in importation from Germany alone. The make-up of cost in post cards is as follows:

	Per cent.
Stock, cardboard	10
Inks, etc	5
Labor for making plates, drawings, presswork, cutting, putting up, etc	85
Total	100

You can readily see from this what a tremendous boom a high tariff on these goods would be for the laboring men.

Trusting you will take this into consideration, we are,

Yours, very truly,

THE ROSE COMPANY.

VIRGIL LAMONT JOHNSON, GERMANTOWN, PA., STATES THAT AMERICAN POST CARDS ARE INFERIOR.

22 WESTVIEW AVENUE, GERMANTOWN, PA.,
December 1, 1908.

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
Washington, D. C.

DEAR SIR: I notice that some postal-card publishers have appeared before your committee and asked for an increase in tariff on postal cards. I wish to say that I am a large purchaser of postal cards, but owing to the inferior quality in this country I am forced to order all my cards from Germany. If you can find any of the publishers who can furnish as good a product as the foreigners you will do me a favor by placing him in communication with me.

Yours, respectfully,

VIRGIL L. JOHNSON.

PALM, FECHTELER & CO., NEW YORK, RECOMMEND SPECIFIC DUTIES FOR DECALCOMANIA TRANSFERS.

NEW YORK, *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Palm, Fechteler & Co., of New York, manufacturers and importers of decalcomania, established here, respectfully present the following brief for consideration.

Decalcomania is divided into two classes, as follows:

Cold decalcomania, such as used for ornamenting, decorating, putting on trade marks, lettering, etc., on farm machinery, wagons, sewing machines, typewriters, and general merchandise.

Ceramic decalcomania, such as used solely by manufacturers of porcelain, china, glass, and enameled ware.

The present duty levied under the decision of the Philadelphia courts, viz, 20 per cent ad valorem and 3 cents per pound, is not a fair duty, because if goods are honestly entered the cheaper grade goods and the higher grade goods are the only two really affected; it raises the cost of the cheaper grade and the higher grade, and the medium grade—of which by far the greatest quantity is used and imported—is not affected in this way, but this line is even a little cheaper to import. For that reason the duty is not fairly distributed over all grades.

The duty as formerly levied, before the Philadelphia decision, viz, 20 cents per pound, is the fairest duty (providing no stripped goods are imported in ceramic transfers) as it averages 35 per cent, and this is adequate for all purposes.

Stripped goods, and by this we mean goods that have been manufactured on duplex paper at the factories abroad and after the work is finished the thin paper is stripped from the heavy and the thin only imported, in such cases the duty instead of netting 35 per cent nets about 5 per cent to the Government; consequently it would be fair for all importers if it were forbidden to import decalcomania

stripped, and then in that case the average duty would be on this class of goods 35 per cent, figuring the duty at 20 cents per pound.

A specific duty is by all means the fairest for all concerned, as it would do away with undervaluations which in this line could easily be done. The reason is, that the cost of manufacture is never the same in any two factories manufacturing this line of goods. As we represent the largest number and most important factories of Europe, and are manufacturers ourselves in this country on the largest scale, we can demonstrate this fact upon request.

Domestic manufacturers of decalcomania. This industry was started in this country in 1866 by the firm of Pfeil & Weiss, Philadelphia. In 1868 Wells & Hope, Philadelphia, and Tuchfaber & Co., Cincinnati, Ohio. Then in 1888 Pfeil & Golz, Camden, N. J., and since 1893 the following manufacturers have been established in this country and have been successful:

American Decalcomania Company, which is now the American Decalcomania Works, Weehawken, N. J., owned by us and which is a large industry and growing every year.

Meyercord Company, Chicago, Ill., which is a large industry and started in a very modest way, and has grown to its present proportions under existing conditions.

National Decalcomania Company, Philadelphia, Pa.

Armour Lithographing Company, Pittsburg, Pa.

U. S. Decalcomania Company, Chicago, Ill., which concern has been reorganized and is now manufacturing under the name of "The Decalcomania Company."

Karle Lithographing Company, Rochester, N. Y.

Wolf & Co., Philadelphia, Pa.

Palm Brothers Company, Cincinnati, Ohio.

In addition to this there are many others that are in this industry but not of great importance.

This list of names will show you that all of these manufacturers have established themselves in this country and are growing from year to year under the present conditions.

Increase of duty.—This would affect the pottery industry in this country more than any others, as it would increase the cost of the ceramic decalcomania to them, and, as the ceramic decalcomania has been the means of bringing the American pottery up to its present high standard because the decalcomania as furnished to them is the same quality, style, design, etc., as used by the foreign potters; therefore, decalcomania is a raw material and absolutely necessary in this particular branch of American industry.

Ceramic transfers as made in this country are of a very mediocre quality, and no domestic manufacturer of decalcomania in the ceramic line has as yet been able to produce decalcomania in the lowest, medium, or high-grade goods anything that equals the foreign manufacture; so, any increase of duty on these goods would not benefit the domestic manufacturer and would only increase the cost of this article to the user in this country.

We would also state that decalcomania, though made by the lithograph process, is not a lithograph in the full sense of the word, and would recommend that a separate paragraph be devoted to this one particular branch, so as to avoid complications such as have arisen in

the past, and by this we refer now to the decision of the Philadelphia court, under which rule the new duty is being levied and this decision is being now fought out in the courts.

For the above reasons we respectfully recommend as follows:

First. A specific duty for decalcomania.

Second. The duty to be 20 cents per pound.

Third. That no stripped goods be permitted to be imported, and, if it is permitted to import stripped goods, that in that case these goods to pay a duty equal to what the difference would be on regular duplex paper, and this would then mean that the duty would be $1 per pound.

Fourth. That decalcomania be placed under a separate paragraph, and entirely free from the schedule of lithographic material.

Very respectfully submitted.

PALM, FECHTELER & Co.,
By S. MOSLEN,
Managing Partner.

THE DETROIT (MICH.) PUBLISHING COMPANY ASKS A CONSIDERABLE INCREASE IN DUTY ON POST CARDS.

DETROIT, MICH., *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: We have a factory located at Detroit, Mich., and respectfully ask an increase in the tariff imposed upon souvenir post cards imported into this country. We ask it because of ruinous competition due to foreign importations of this article.

HISTORY OF THE TRADE.

As it bears upon the present situation, we allude briefly to the history of the trade. The souvenir post-card trade of the United States is of a recent development. Prior to 1898 the total cards used were negligible and the importations of no moment. Our company was the first to develop the business here on a large scale, commencing in 1898. It was not until four or five years later that the trade attained a real magnitude. Since then the consumption has grown every year, and from three or four companies publishing these cards originally the number has increased to over one hundred companies. There are some manufacturers of cards within the United States, but most publishing houses have their cards made abroad. Also, several of the foreign manufacturers maintain agencies here both for taking orders and for distribution of their stock designs. Other foreign houses send travelers over to take orders to be manufactured abroad.

Foreign cards are made in a variety of processes—three-color, half tone, lithography, gravure, and collotype. The trade uses more and more the foreign lithographed card, principally because the duty on that card is negligible.

Millions of these foreign-made cards are imported, and the number used, as compared with the domestic-made cards, is constantly increas-

ing. The Treasury Department is unable to give the number imported, on account of their not being separately classed. The writer knows no way by which exact figures can be presented to your committee. Certain it is, however, that an overwhelming proportion are of foreign manufacture. Most of the German-made cards bear the German imprint, and an examination of the sources of distribution will show on an average four German cards alone to one of domestic manufacture. During the last five years there has been a constantly increasing ratio of the use of the foreign card compared with the domestic card. Again and again customers buy abroad who say they prefer to buy at home, but can not afford the prices American makers must ask.

COST OF MANUFACTURE.

The cost of making the home card is very much in excess of the cost of the foreign card. Several items contribute, but labor is the greatest factor. It is conservative to say that the average labor employed on this industry abroad is paid one-third that of labor in the United States for equivalent work. Here is an illustration: A German lithographic pressman engaged in this work will receive from $7.50 to $12 per week, as against the American pressman, who receives $22 to $35 per week. A draftsman will receive from $6 to $10, as against $20 to $35 here. There are, of course, men in both vocations here and abroad who are receiving both more and less than the above rates, but these figures are for equivalent grades, with the American rates, if anything, understated. In large cities of the United States the rates are still higher in proportion as the quality of work increases. For unskilled work, women are often employed in capacities which are unusual in the United States and at equal discrepancies.

There is a great variation in the cost of this product, dependent upon the quality of work and size of edition. Any schedules of cost, therefore, which do not go fully into these two factors are sure to be misleading, and such schedules could not be properly presented within a letter. Averaging the range of these conditions, which are very wide, we believe that the cost allotted to an imported card under the conditions most commonly occurring will vary from one-third to two-fifths of the cost of the equivalent American card. As indicating something of the range of the product, cards are sold all the way from $1.50 per thousand to $50 per thousand.

PRESENT COST OF IMPORTATION.

Cards made by engraving or gravure are assessed 25 per cent duty, but cards made by lithography are assessed 5 cents per pound. This means an import duty of not more than 50 cents per thousand cards, which is no restriction whatever, considering the enormous difference in manufacturing cost. The low duty results from this fact. They are imported as lithographic cards under paragraph 400 and under the specifications of "not exceeding twenty-thousandths of an inch in thickness and not exceeding 35 square inches, cutting size, in dimensions." To show the absurdity of the schedule, the same cards if imported in the sheet before cutting up would pay 35 per cent duty, but because they are cut up before importation (thus completing the manufacture) they fall under the 5 cents per pound rate. It is impor-

tant to note that the schedule was made before the existence of the souvenir-card business in this country. They are imported, therefore, under a rate designed to cover another article. We are not sure enough to state what it was designed for, but we think it probable it was intended to cover a form of lithographic label and not the pictorial work now known as a souvenir mailing card. Certainly at the time of the adoption of this tariff the trade did not exist and American houses were not engaged in such manufacture. The trade has been a development of the last eight years.

RESULTS OF SUCH IMPORTATION.

As above stated, we are one of the first American makers of these cards, and therefore feel competent to speak with assurance about the trade. It was difficult to get the American educated to the use of the card, but when its merits were realized the growth of the business was extremely rapid. As soon as a real market was created here at the cost of the home manufacturer, the foreign companies invaded the field, and that invasion has constantly progressed until they are dominant in the trade. The foreign manufacturer has a much larger field at home than the United States, and he considers surplus orders he takes for the American market as so much insurance against dull business in his home market and as tending to cut down his "overhead" expense. He will take orders in this market at less than his cost, or at barely cost, in order to reduce his home expense. In short, we are used as a dumping ground for the foreign makers. During the last five years there has been a continual decrease in the price of these goods, due to increased importations. The business we are able to hold at home is due to special considerations having no relation to the cost of the article, and even then we are compelled to make rates which can not be continuously endured.

REMEDY.

In order to give the American manufacturer an equal chance with the foreign manufacturer it is absolutely necessary to have a very considerable increase in the import duty. Without this he will be forced to give up the business. As to the form that import duty should take, we respectfully ask the following: We believe there should be a specific tax per card in addition to an ad valorem duty, the same as exists in the present tariff on playing cards. In that case there is a specific duty of 10 cents per pack of cards plus 20 per cent. In the case of the souvenir mailing card we think there should be a specefic duty of not less than one-fourth cent per card ($2.50 per thousand cards) plus the highest percentage rate applied to other prints of the same medium in any size. Illustration: Suppose that in the amended tariff the highest rate of duty upon lithographs in large size is 50 per cent. A lithographed card would then be imported upon payment of $2.50 per thousand cards plus 50 per cent upon the assessed value. If the card were an engraved card, then it would be imported at the percentage for engravings plus $2.50 per thousand. Quite apart from this subject, we believe the rates on lithographs should be greatly increased, but as figures on that matter will be given you separately we confine ourselves here solely to the question of souvenir mailing cards.

We will be glad to give further details if desired and also give further support to the above statements.

All of which is respectfully submitted.

DETROIT PUBLISHING COMPANY.
W. A. LIVINGSTONE, *Manager.*

THE GRAY LITHOGRAPH COMPANY, NEW YORK CITY, ASKS PROTECTION FROM FOREIGN-MADE POST CARDS.

NEW YORK, *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: The tremendous increase in imports of post cards, calendars, etc., in the last few years, combined with the lack of work for the workmen in this country who produce similar material, proves conclusively that the millions of dollars invested in the lithographic plants in this country and the thousands of employees in the lithographic line in this country are being sacrificed, all for the benefit of the foreign lithographers whose product is turned out on a scale of wages that will average about one-third of the wages which have been paid to the workmen employed in the lithographic plants in the United States.

The ingenuity and skill of the lithographic manager and employer are such that with proper protection he can quickly put the thousands of workmen in the lithographic line to work who are now idle, and do so without the hardship of cutting their wages down while food products, etc., are going upward in their cost.

A new and very important line in the lithographic industry—the manufacturing of post cards—would add millions of dollars in work every year to the lithographic plants of this country, and the American taste and style would be preferred to the foreign product. The American product will be purchased provided the foreign product is not allowed to be put into this market at the very low rate at which it is now delivered here, as against the rate made necessary for the American product by reason of the rate of wages now paid to workmen in this country.

While many of the workmen in Europe receive from $5 to $8 per week in wages, the workmen doing the same class of work in the United States receive from $18 to $25 per week.

This rate of wages is only in keeping with the wages paid to workmen of the same general intelligence and ability employed in other lines of trade. There is every reason, therefore, why the wages of workmen in the lithographic line should not work downward.

It is absolutely necessary, therefore, to have a strong protective tariff on all lithographic product, particularly calendars, post cards, show cards, etc., to enable the lithographic employer to properly use the large plants already erected in this country and to properly employ at living rates of wages the large number of employees who can be given steady employment in this important branch of industry in the United States.

We beg, therefore, of you to consider the matter most carefully and adjust the tariff with a view to properly protecting the American workmen and the American employers in the lithographic line.

Yours, very truly,

THE GRAY LITHOGRAPH COMPANY,
O. D. GRAY, *President.*

THE FORBES LITHOGRAPH MANUFACTURING COMPANY, BOSTON, MASS., SUBMITS SUPPLEMENTAL BRIEF RELATIVE TO LITHOGRAPHIC PRINTS.

BOSTON, MASS., *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

SIR: The Forbes Lithograph Manufacturing Company, of Boston, begs to file this brief as an addition to the brief submitted by it at the hearing held before the Ways and Means Committee November 21, 1908.

WAGES IN GERMANY.

The chairman asked that any information as to wages in Germany be filed with the committee. The following is a copy of letter from Mr. Gustav Herrmann, dated Nürnberg, June 30, 1908. Mr. Herrmann is a manufacturer of bronze powder at Nürnberg and comes in contact with the lithographic industry in that country. Copy of his letter follows:

NÜRNBERG, *June 30, 1908.*

Messrs. THE FORBES LITHOGRAPH MANUFACTURING COMPANY,
Boston.

GENTLEMEN: Your favor of the 13th instant to hand. I beg to say I tried with various firms here like E. Nister, Mayer's Kunstanstalt, like the largest transfer picture manufacturer C. A. Pocher, to get the information you want.

I am very sorry to say every one of them refused to give such information, although I am on friendly terms with them. All the German lithographic firms came to a mutual understanding to inform nobody any more about the details of their business.

As I saw there was no use to push that side any more, I went to the headquarters of the social-democratic party here, trusting that the employees would give me the information which was refused by the employers. I am pleased to say that I can serve you with the following details received quite openly by the president of the social-democratic workmen's department for wages, who happens to have been a working lithographer himself before he took that position of national economy (Nationalökonomie).

Lithograph stipple artists, lithograph crayon artists, lithograph engravers, transferrers, lithograph pressmen, zinc or aluminum pressmen on rotary presses are all simply classed as lithographers without any distinction as to their specialty of work.

The minimum wages for them after they have served their apprenticeship (which lasts four years) is 18 marks per week all over Germany. There is a supplementary allowance from 1 to 5 marks, depending upon how a German town is rated for its expenses of living (Teuerungszulage). For example: The minimum wage in Nürnberg is 18 marks plus 1 mark—19 marks in all—as living is cheaper than in Berlin, where the minimum wages are 18 marks plus 6 marks—24 marks in all.

The average wages for a lithographer are about 30 marks per week. Some highly skilled lithographers earn as much as 45 marks per week.

The arrangement with foremen in the lithographic department varies. As a rule lithographic foremen are paid from 60 marks to 80 marks per week.

There is no standard in wages for foremen. You may judge yourselves, if I tell you, for instance, that Nister has a superintendent in the lithographic department whose name is Prof. Ludwig Kühn, a man who is practically a well-known portrait

painter of a fairly great reputation for painting other subjects, too. Professor Kühn is not limited at all to any number of hours of working in the factory. He may come and go as it pleases him, and I believe he is paid about 8,000 marks a year simply for supervising the artistic part of lithography.

All over Germany the lithographers work eight hours a day; the printers nine hours a day.

Stone polishers, stone grinders or polishers, zinc or aluminum-plate polishers are not considered as skilled laborers. Therefore they are paid by special agreement varying in each town and often in each workshop.

The minimum wage for those is in Nürnberg 3.10 marks a day; that means 18.60 marks per week (girls get 1.70 marks a day in Nürnberg; that means 10.20 marks a week).

The social-democratic party issues every year a book showing the details of wages. The last information concerning lithographic work did appear in 1905 edition. The things have changed since.

If there will be another book issued this year showing anything about your trade, I shall be pleased to send you one, as you understand the German language.

If I can serve you with any more information or in any other way, please dispose of my service.

Yours, most respectfully, GUSTAV HERRMANN.

P. S.—Nearly 90 per cent of the lithographers in Germany belong to an organized union. While serving four years' apprenticeship the apprentice may get a few marks a week as pocket money during the first year. That pocket money may rise to 8 or 10 marks per week during the third or fourth year. Nothing definite is settled about that. A smart, intelligent apprentice may earn at the finish 10 marks, whereas a less pushing fellow may not get 8 marks a week.

The original of this letter we have attached to this brief.

In connection with obtaining this information, we attach hereto a clipping from the Boston Daily Advertiser, November 30, 1908, which is dated Berlin, November 29, and explains the difficulty of obtaining from manufacturers in Germany the wages paid in that country. We, however, vouch entirely for Mr. Herrmann, and are confident that the information contained in his letter attached hereto is correct. This shows, as you will note, the average wages for lithographers to be about 30 marks per week, or $7.13, whereas in our own establishment the average wages of sketch artists, lithographic artists drawing on stone, transferrers, and printers is at least four times this amount. This letter of Mr. Herrmann's was sent to us in response to one we wrote him asking that he secure information as to the prevailing rates of wages in Germany.

It will also be seen by reference to Mr. Herrmann's letter that the apprentice serves four years, receiving, possibly, a few marks per week as pocket money during the first year and getting 8 to 10 marks, or $1.90 to $2.38, per week during the third or fourth year. Apprentices would get in this country as an average for the four years' service at least ten times this amount.

We also give below copy of letter received from Mr. Charles Hellmuth, dated New York City, July 27:

[Charles Hellmuth, lithographs, printing inks, and dry goods, New York office and factory, 154-158 West Eighteenth street.]

NEW YORK, *July 27, 1908.*

THE FORBES LITHOGRAPH MANUFACTURING COMPANY,
Boston, Mass.

GENTLEMEN: Referring to your favor of June 13, we have obtained the scale of wages and time of working in Germany, and submit same as follows:

BERLIN.

		Marks per month.
Lithograph stipple artist	8-hour day	100–170
Lithograph crayon artist	do	100–170
Lithograph engraver	do	100–170

		Marks per week.
Transferrers	9-hour day	25–30
Transferrers, first class	do	33–36
Pressmen	do	33
Pressmen on zinc or aluminum, rotary	do	36–40
Stone grinders and polishers of zinc or aluminum	do	16–18

STUTTGART.

		Marks per week.
Lithograph stipple artist	9-hour day	14
Lithograph crayon artist	8-hour day	30
Lithograph engraver	do	30
Transferers	9-hour day	28
Stone polisher of aluminum or zinc	do	21
Pressmen on stone or zinc and aluminum, rotary	do	30

Nine hours appears to be the prevailing working time except for artists.
Hoping this information will be of use to you, we remain,
Yours, very truly,

CHARLES HELLMUTH.

This corroborates in all essential details Mr. Hermann's letter, referred to. Original letter is attached.

The German lithographer also has the advantage of cheaper rents and nearness to the source of supply for various raw material, such as lithographic stones (all of which come from Bavaria), colors, bronze, and metal leaf.

The German lithographer also has an important advantage owing to the facilities, supported by the various state and municipal governments, of technical and trade schools, which serve constantly to supply a large source from which to secure employees in the lithographic trade.

The statement was made at the hearing on November 21 that the printing presses abroad run 4,000 sheets of paper per day, as against 6,000 to 7,000 sheets of paper per day in the United States. This is not a fact at the present time. The foreign lithographers get practically the same product as a lithographer in this country. The American lithographer also has an important item of expense owing to the dampness of the atmosphere in this country, with which the German lithographer does not have to contend. The dampness causes variation in the paper from day to day while the work is in progress of printing, causing misregister of the colors, and is an item of large expense to the American lithographer by reason of the loss in product.

Whether a piece of paper imported is entirely covered by lithographic matter or part of same is blank makes practically no difference in the cost of production. Any statement made to the contrary is made with the full knowledge that it is misleading and intended to mislead the committee. A sheet of paper a certain size goes through the press, and whether it be covered in part or entirely with lithographic matter makes practically no difference as regards the cost of production, except the small additional cost of ink used.

In reply to the question of why Germans do not come to this country to secure the higher wages, would state that a large number of employees in American lithograph establishments are Germans. There would be a large increase in this number were it not for the fact that the alien labor contract law prevents any contract or promise of a

position to be made while the laborer is abroad. The uncertainty of conditions here prevents many foreign workmen taking the chances of securing quick employment on their arrival. Also, the cost of living is much higher in this country, and it is to protect the American workingman and to enable him to continue his present standard of living that it is necessary to have the increased rates of duty asked for, and which will amount to only the difference in cost of labor here and abroad plus a reasonable profit for the manufacturer.

WHO WOULD SUFFER BY AN INCREASE IN RATES?

At the hearing on the 21st of November the question was asked, "What effect would the increased rates asked for have on the American manufacturer who uses lithograph products?"

The matter of decalcomania transfers will be covered, we believe, by the tariff committee of the National Association of Employing Lithographers, and with the exception of decalcomania transfers practically all the lithographic material imported is used as pictures or postcards or as advertising material. Much the larger proportion imported is used for advertising purposes. The increase in rates asked for will have practically no effect on the cost of the material to the buyer of same. The number of establishments in this country engaged in the manufacture of lithographic prints (nearly 350), and all under separate and distinct management, will serve to prevent any undue raising of prices. The principal reason that there would be no material increase in cost to the user is that at present the foreign lithographer does not ship and invoice the material to the American purchaser direct, except in comparatively rare cases. Foreign lithographs are imported by the branch houses of foreign manufacturers maintained in this country, or importing houses dealing in this class of work almost entirely, and it is the foreign manufacturer or his branch house that now obtains the benefit—not the American user or buyer—for the foreign lithographs are sold to the American buyer at a price only slightly less than American lithographs. On account of the time necessary to get foreign goods, the American manufacturer imports but very little in the way of labels, wrappers, tickets, or other lithographed material entering directly into the manufacturing cost of his product.

THE MATTER OF CIGAR BANDS AND SMALL LABELS.

In re statement of Mr. John G. Duffy, appearing for Louis C. Wagner & Co., of New York, and Charles Stutz Company, of New York.

The matter of cigar bands, we think, will be taken up in detail by the tariff committee of the National Association of Employing Lithographers, and we, therefore, shall refer only to the small labels not exceeding 10 square inches, referred to in our brief filed with the committee on November 21. In our brief we asked for a duty on labels, flaps, bands, and small labels, as follows:

	Per pound.
Lithographic labels, flaps, and bands, lettered or blank, printed from stone, zinc, aluminum, or other material:	
Labels and flaps, exceeding 10 square inches, if printed in less than 8 colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	$0.30

Lithographic labels, flaps, and bands, etc.—Continued.	Per pound.
Small labels and bands, less than 10 square inches, printed in less than 8 colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	$0.60
Labels or flaps, exceeding 10 square inches, printed in 8 or more colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	.40
Small labels and bands, less than 10 square inches, printed in 8 or more colors (bronze printing to be counted as 3 colors), but not including metal-leaf printing	.80
Labels and flaps, exceeding 10 square inches, printed in whole or in part in metal leaf and not over 5 additional printings	.50
Labels and flaps, exceeding 10 square inches, printed in whole or in part in metal leaf and over 5 additional printings	.75
Small labels and bands, less than 10 square inches, printed in whole or in part in metal leaf and not over 5 additional printings	1.00
Small labels and bands, less than 10 square inches, printed in whole or in part in metal leaf and over 5 additional printings	1.50
For any embossed label, flap or band, add	.10

Mr. Duffy suggested a rate of 15 cents per pound for cigar bands printed in colors and bronze.

This would be wholly inadequate for the reason that the label or band is so small and so many are required to make the weight of 1 pound. The label we referred to in our brief, size 2½ by 4, would weigh, for 100,000, about 185 pounds, if printed on stock 22 by 28, 50 pounds, the heaviest paper used for the purpose of labels for perfumery and other articles. At the rate recommended by Mr. Duffy, 15 cents per pound, this would give a duty on 100,000 labels of $27.75. One hundred thousand labels made in this country would cost, approximately, $350. If made in Germany, the same label would cost laid down in New York, including freight and duty paid, not exceeding $200.

Most of these labels, instead of being printed on paper basis 22 by 28, 50 pounds, are, however, printed on paper basis 22 by 28, 35 pounds to the ream of 500 sheets. This would make the weight of 100,000 labels about 130 pounds, and at 15 cents per pound the duty would be only $19.50.

It is, therefore, absolutely essential in order to give the American lithographer a fair chance in the home market that rates not less than we have recommended shall be adopted.

RECIPROCITY.

We beg that no provision shall be made that will provide for reciprocity in lithograph products between the United States and any European country, for there is no opportunity of exporting to England, France, Italy, or Germany lithographic products in amount of any consequence.

SCHEDULE.

It was asked at the hearing of November 21 that in view of the many court decisions that had been secured as to the interpretation of section 400, as applied to lithographic prints, "Would it not be better, if Congress decided to increase the rate of tariff, to simply increase the rates provided in the Dingley law than to enact a lot of new provisions?"

In reply we beg to state that the schedule we have proposed is entirely on a specific basis, and the same is the case on the schedule

submitted by the National Association of Employing Lithographers, and we believe that the provisions suggested are so clear that it will be unnecessary to resort to courts for interpretation.

LITHOGRAPHS CLASSED WITH OTHER PRODUCTS.

We again beg to urge the incorporation in the new tariff of the following clause as a section under this heading of "Lithographic imports:"

Lithographs cased with other products.—No box, case, or other package containing any importation to this country, not included in this paragraph, shall contain any lithographic print from stone, zinc, or aluminum, or other material, or other items or goods listed in this section.

The purpose of this is to prevent foreign importers or manufacturers from including 1, 2, 3, or other small number of show cards or other lithographed or advertising matter in the cases or packages containing the product they are sending to this country to sell. As foreign importations of certain goods amount in the aggregate to a large number of cases, the inclusion of show cards, lithographs, etc., in the case or package containing the commodity, not only is a source of loss to the lithographic industry of the United States, but also is a very large loss of revenue to the Government, and the above paragraph, if adopted, would cause the importer to bring his lithographed or other advertising matter into the country in separate cases, thus causing a duty to be levied on same, with a corresponding amount of revenue to the Government

LEGEND.

We recommend that the following be incorporated into the new law:

Each and every label, band, wrapper, show card or other lithographic print from stone, zinc, aluminum or other material, shall bear on the face of same, printed in legible letters, in English, the legend "Printed in ———," the name of the country of origin to follow the words, "Printed in."

MAXIMUM AND MINIMUM.

Should the committe in its wisdom incorporate the principle of the "maximum and minimum tariff," we earnestly pray that the rates submitted in our brief of November 21, 1908, shall be adopted as the minimum rates, and that the maximum rates shall be 20 per cent in excess thereof on each and every item.

We attach hereto copy of our brief of November 21, also copy of the brief of the tariff committee of the National Association of Employing Lithographers, referred to.

Respectfully, yours,

THE FORBES LITHOGRAPH MANUFACTURING CO
FRANK J. BLANEY.

CHARLES W. HARRISON, TRENTON, N. J., WRITES RELATIVE TO CERAMIC DECALCOMANIA TRANSFERS.

TRENTON, N. J., *December 3, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Having been engaged in the importation and sale of decalcomania transfers for decorating china and earthenware for the last ten years, I beg leave to lay before you in a few words some facts connected with these goods. It appears to me that an attempt has been made to impress the committee of which you are the head with the importance of the domestic manufactures of the same by confusing them with general lithography.

The total amount of the ceramic transfers imported does not, as far as my information goes, exceed $400,000 per annum, and the value of those made in this country about $100,000.

These goods differ from general lithographic goods in that they are not in themselves a finished article or used as such, but are used solely in the decorating of crockery, and to a very small extent in decorating glass. Nearly all of the pottery ware made in this country is now decorated with these transfers.

Everyone who knows anything of the pottery industry in this country is alive to the fact that the American potters, who have already a hard struggle to hold their own, would find their difficulties vastly increased if their supply of imported decorations were shut off or even seriously restricted, and that they simply could not compete with the imported ware if forced to rely on the decorations of domestic manufacture.

The latter are, in fact, confined entirely, or almost entirely, to copies of the imported patterns. I can myself, if desired, lay before the committee of which you are the head a sheet produced by the factory in England whose goods I handle, and a sheet printed by a factory in this country, which is an exact copy of same and which is sold here at several cents a sheet less than the price at which I can sell the original, which makes it difficult to see upon what ground an appeal is made for further protection.

In view of all the facts, I beg, sir, to respectfully suggest that the interests of the pottery manufacturers demand that no further difficulties be placed in the way of their obtaining the best decorations that can be obtained, and that the least disturbance would be caused to this important industry by fixing the duty at the rate that was levied from 1897 until the early part of the present year, when by a decision, procured without the knowledge of myself and other importers and without our side of the question being heard, the goods were removed from clause 400, which imposed a specific duty of 20 cents per pound weight, to clause 398, which imposes an ad valorem duty of 20 per cent and 3 cents per pound weight. This duty we are now paying under protest, but I submit, sir, that in view of the peculiar nature of these goods and the difficulty of fixing upon each sheet an equitable valuation, that a specific duty is the most equitable and the most easily levied and the least easily evaded, and therefore the most desirable.

Since, however, it is notorious that the intention of the framers of the act of 1897 has been evaded and that large numbers of sheets have been imported at about a fourth of the duty which they should have paid by the simple expedient of stripping the sheets from the white backing on which they are printed, I submit, sir, that sheets which have been stripped from their backing should be subject to four times the amount of the specific duty levied on the complete or duplex sheets, which would result in all sheets of the same size paying the same rate of duty.

Trusting, sir, that the status of these goods may be defined in a way that will prevent a repetition of the uncertainty that has so hampered business in the past,

Yours, very respectfully, CHAS. W. HARRISON.

THE ARMOR LITHOGRAPHING COMPANY, OF PITTSBURG, PA., WRITES RELATIVE TO DECALCOMANIA TRANSFERS.

PITTSBURG, PA., *December 10, 1908.*

Hon. JOHN DALZELL, M. C.,
Member of Ways and Means Committee,
Washington, D. C.

DEAR SIR: We are interested in the revision of the present tariff law so far as it applies to lithographic decalcomania prints, for the reason that we do not consider it equitable, and because it is not properly classified, and in a number of cases it is very difficult for the officers of our Government to be able to clearly ascertain and determine with any degree of certainty as to what class the different articles and materials properly belong.

Decalcomania is a transfer printed on either simplex or duplex paper. It is then transferred from this paper to stone, china, pottery, and glass, furniture, machinery, etc., and consists of three distinct classes.

First. Cold decalcomania, wholly or partly covered by metal leaf.

Second. Cold decalcomania, not covered by metal leaf.

Third. Ceramic decalcomania, printed in mineral colors for china and glass.

These three should be separated and treated separately in the tariff schedule for customs classification.

We are especially interested in the ceramic decalcomania prints, which under the present tariff law are imported into our country as surface-coated paper wholly or partly covered with metal or its solution, which under paragraph No. 398 is dutiable at rate of 3 cents per pound and 20 per cent ad valorem.

Duplex paper.—Ceramic decalcomania prints are all printed on duplex paper. This paper is composed of two sheets of paper. The coated sheet upon which the printing is done is a sheet of very thin tissue paper. The other sheet, or the back sheet, is much heavier paper and is only for service during the process of printing or lithographing on the thin tissue sheet, as the sheet of the heavy paper stiffens and strengthens the thin tissue sheet. The two sheets of paper are not placed together permanently, but can be easily separated after the printing is completed on the thin tissue sheet, after which it

is removed from the heavier sheet. The thin or tissue sheet is alone made use of in transferring the prints, the thinness of this paper permitting the design to readily conform itself to the shape of the article to be decorated.

By reason of the numerous patents and processes which are owned and controlled by the paper manufacturers of Europe, duplex paper has not and will never be successfully manufactured in this country; and since it is absolutely necessary to use duplex paper in the manufacture of ceramic decalcomania, we are compelled to import this paper from Europe and pay a duty of 35 per cent ad valorem upon the same.

We are also compelled to import nearly all the mineral colors which are used in the manufacture of ceramic decalcomania, and on these colors we are also obliged to pay a duty of 30 per cent ad valorem.

The mineral colors and the duplex paper are both manufactured in Germany, and the German manufacturer of decalcomania has therefore the advantage in purchasing both these materials in his home market, thus having no tariff duty or transportation charges to pay on the same.

The German manufacturers are our principal competitors, who, instead of shipping the decalcomania prints into this country as they are originally produced on duplex paper, separate the two sheets of paper, and while they retain the heavy or back sheet they only ship to this country the thin or tissue sheet upon which the metallic colors are printed. This thin or tissue sheet of paper approximately weighs only about 20 or 25 pounds per 1,000 sheets, whereas the duplex paper, including both the tissue sheet and the heavier back sheet, approximately weighs from 115 to 120 pounds for every 1,000 sheets; thus by stripping and separating the thin from the heavier sheet there is a direct saving on the duty alone that is paid by the German manufacturer on from 90 to 100 pounds on every 1,000 sheets.

It is a well-known fact that the German manufacturers of lithographic prints ship and export such prints into this country and sell them below the market price of this same class of prints in Germany, and in many cases invoice the same to their own branch offices and houses in this country at less than the market price in Germany.

Many of the designs and prints for ceramic decalcomania are originally made for use in the German market, and their surplus of same is shipped by them into this country.

It is a common practice that the cost and expense of designing and drawing on stone in Germany is not calculated and included in the cost of prints of those which are shipped into this country, the aforesaid cost only being calculated and added to the cost of such prints which are sold in Germany and other European markets.

The wages for labor paid by German manufacturers are very much lower than similar class of labor is paid for in this country, as the following comparison will show:

Lithographic artists in Germany get from 32 to 36 marks, or $8 to $9 per week.
Steam-press printers in Germany get from 20 to 32 marks, or $5 to $8 per week.
Press feeders (female) in Germany get from $3 to $4 per week.
Transfer printers in Germany get from 22 to 35 marks, or $5.50 to $8 per week.
Lithographic artists in this country get from $22 to $45 per week.
Steam-press printers in this country get from $22 to $35 per week.
Press feeders in this country get from $10 to $17 per week.
Transfer printers in this country get from $22 to $35 per week.

We would respectfully call your attention to a brief filed with your committee by a committee from the National Association of Employing Lithographers, which in a brief way makes a comparison between the American and European productions and the amendments to paragraphs 398 and 400 as suggested and recommended by them. which in our opinion would be equitable and proper for the protection of the decalcomania industry of this country.

In conclusion permit us to say that we have endeavored to make our explanation as brief and concise as possible, and hope it will materially aid and assist you in determining the fairness and equity of our claim and contention on the question of the revision of the present tariff law so far as it relates to "ceramic decalcomania."

Hoping you will give this matter your most thoughtful consideration, and after doing so that you may see your way clear to give the same your earnest support, we are,

Yours, very respectfully,

ARMOR LITHOGRAPHING COMPANY (LIMITED),
JOHN WILHELM, Jr., *Secretary and Treasurer.*

STATEMENT MADE BY JAMES ARTMAN, MARKET AND FORTY-NINTH STREETS, PHILADELPHIA, PA., RELATIVE TO COLORED VIEW POST CARDS.

THURSDAY, *December 17, 1908.*

(The witness was duly sworn by the chairman.)

The CHAIRMAN. This subject has been pretty well covered. Have you a brief or could you file a brief covering what you want to say?

Mr. ARTMAN. No, sir; I haven't got any brief.

The CHAIRMAN. How much time do you want?

Mr. ARTMAN. Five minutes.

The CHAIRMAN. You may have five minutes.

Mr. ARTMAN. Mr. Rose spoke to you this morning on post cards. He represented the fancy post cards. We represent the colored-view post card.

I want to supplement what Mr. Rose said about post cards.

The fact of the matter is that the colored view cards are pretty nearly all printed in Germany. In fact about 90 per cent of them are printed in Germany and of the 700,000,000 or 800,000,000 post cards that were imported in 1907, 75 per cent were colored view cards—about 600,000,000. That represents a business of about $15,000,000, and only about—well, I guess $1,000,000 worth of post cards are printed in this country.

We have been trying to get a foothold in that business for the last two years. Our experience has been that we can only sell to those people who can not wait for postal cards to come from Germany or do not know that they can get them cheaper from Germany.

The Germans can land post cards in this country for $9 per thousand, and in lots of 2,000 they can deliver them for $7.25, and in lots of 3,000 they can deliver them for $4.75, and in lots of 5,000 they can deliver them here for $3.50.

The lowest we can produce them for in this country is $18 for the first thousand, $10 for a 2,000 lot, $7 when they come in lots of 3,000, and $4.50 for 5,000 lots.

One of the points that I want to make is that the duty on lithographic matter being 5 cents a pound is unjust, because the small quantities pay only about 2 or 3 per cent duty, whereas large quantities come up to 15 or 20 per cent duty.

The point I want to make is, where the hand labor enters into the cost the difference is very much greater than where they are produced by machinery.

The first cost of a post card is engraving, and that is where the labor enters into it. In the small editions is where the great differences are, in lots from one to five thousand, and that is where the bulk of the sales are made.

There are only a few places in the country where they can use an edition of over 5,000 cards. Such places as Washington, New York, Chicago, and Niagara Falls will use a large edition, but nine out of ten localities will use smaller editions—editions of from 3,000 to 5,000 cards—and there is where we do not get a show.

The lithographing is very similar to printing. Lithograph cards pay a duty of 5 cents. Printed cards pay a duty of 25 per cent, and it takes an expert to tell the difference between the two. Even experts sometimes are unable to tell the difference, and it is not a just thing to put a different duty on lithographing from that on printing.

Another point is that cardboard pays a duty of 25 per cent. Lithographic stones, engraved, pay a duty of 25 per cent. Printing plates, engraved, pay a duty of 45 per cent. In other words, all the things that enter into the manufacture of post cards pay a duty of from 25 to 45 per cent, whereas post cards themselves pay 5 cents a pound, which averages from 4 to 15 per cent, according to the quantity.

Mr. CLARK. How would it strike you to cut down the tariff on the ingredients?

Mr. ARTMAN. As far as we are concerned, it would strike us all right; that is to say, if we could buy our engraving abroad and bring it here and our cardboard abroad and bring it here we would be satisfied; we think we could compete. But the cardboard manufacturer would not be satisfied nor the other manufacturer——

Mr. CLARK. I am not asking you what he wants, but what you want. It comes to the same thing in the end, whether we cut down somewhere or raise somewhere, does it not?

Mr. ARTMAN. Taking the duty off cardboard and engravings would only help us on the large editions, which are the exception. On the small editions, which comprise the great bulk of the business, we could not compete with the foreign cards, even though we should bring cardboard and engravings in free. On 1,000 editions our cost is double theirs, including duty, and on 2,000 and 3,000 editions it is 50 per cent greater than theirs, including duty, and on 5,000 it is 30 per cent greater. The 25 per cent reduction on cardboard would not amount to much, as the cost of cardboard is a small part of the total cost of small editions. To reduce the duty on photo-engravings or to put them on the free list would be of very doubtful assistance to us on account of the delays in bringing these from abroad, and to put them on the free list would be disastrous to American photo-engravers. We do not believe it is the intention of your committee to protect one industry at the expense of another, and therefore we do not suppose the reduction on duty of cardboard and photo-engravings will be con-

sidered. Almost all color-view post cards are now brought in as lithographed matter at the 5-cents-a-pound duty. Five cents a pound means 35 cents a thousand on a 1,000 lot; this is less than 4 per cent. On a 2,000 lot it amounts to 70 cents—about 5 per cent; on a 3,000 lot it amounts to $1.05—about 8 per cent; and on 5,000, $1.75, or 10 per cent. Thus the small editions, which should have the most protection, have had the least protection. Therefore, a duty based on weight is a very poor one for protection purposes, and the ad valorem duty is much better. While a 50 per cent duty on colored view cards would afford us protection on editions of 5,000 and over, it would not hold us on the small editions, and we therefore urge that, if possible, a higher duty be placed on small editions, say 75 per cent, which would give us a chance on all editions except the very smallest ones, and with the increased production we might find it possible to compete on the smallest quantities as well.

STATEMENT MADE TO COMMITTEE BY MATTHEW WOLL RELATIVE TO PHOTO-ENGRAVING AND POST CARDS.

THURSDAY, *December 17, 1908.*

The witness was duly sworn by the chairman.

Mr. WOLL. Mr. Chairman, I want to talk in regard to the photo-engravers.

The CHAIRMAN. I understand you want about ten minutes.

Mr. WOLL. Yes, ten minutes will be sufficient time to plead my case.

I appear here in behalf of the photo-engravers and in the interest of the workers.

This post-card proposition which has been spoken of to the committee is one which seriously affects the workman of the photo-engraving craft. The photo-engraving craft is a very new craft; it has not been very long in existence, about twenty years or less than that since it has been of commercial value in this country.

In our early period we had no foreign competition to speak of, but since the development of the craft, the skill of the members, we have realized that there is a great deal of competition from the foreign shores, particularly in the post-card and in the calendar work.

That has been due to the development of the craft, and it has not been until in recent years that we have come to our legislators to seek remedial legislation to protect the American workmen.

Now, in the post-card trade and the calendar trade, the photo-engravers are affected particularly, inasmuch as the post card and calendar trade is a business which has been used heretofore to fill in the idle time of those engaged in that work. In other words, the photo-engravers have nothing to sell but their skill. They can not accumulate any stock in trade, and, as the nature of the business is, it is confined largely to making photo-engravings for advertising purposes. Advertising as a rule is usually done in two seasons of the year, that is, this is work that comes periodically once or twice a year. Our busy seasons are in the fall and in the spring. During the

winter time and during the summer time we are very slack in our work.

Now, those times have always been taken up with this post-card work and this other illustrating work, which has given our men employment during the entire year. But now, with the competition from Europe, we find that even that work has left us. That is the post-card work. Under the conditions that exist now they can produce that work abroad much cheaper than we can here, and therefore it has thrown many of our men out of employment during those seasons of the year.

Not only is the post-card work affected disadvantageously in this matter, but that also refers to the calendar work that we formerly did.

We are not only suffering on account of the idleness of our men, caused by the things I have stated, but we also find that our men are affected in another way. Calendar work is of a high class, it is artistic work, and it is a great disadvantage to our workmen to be deprived of that high character of work. The calendar work is, as I have said, artistic work, and we feel that inasmuch as it is our aim to have as high an ideal as possible, to have a high standard of work and to come up to that standard as far as possible, we want to be given the inducement that we find in this calendar work and other work like that. That sort of work increases our skill, and unless we can get that work we can not in any other way well acquire that high grade of skill. We can not get it simply by reading books and studying; we can only get it by doing the actual work.

Therefore, we think we need some protection from the legislature in that matter.

In the post card and calendar work is where we need protection. We do not ask protection on the other kinds of work—the catalogue work, or the periodical work, or the magazine work. In work of that kind the conditions themselves give us protection, because the immediate demand for that kind of work will not permit it to be sent out to foreign countries to be done. But as to post card work, which is merely like what we might call stock in trade, that can be sent to foreign countries and done over there, and in that way our workmen are deprived of employment at a time of year when they would especially like to have it.

I do not care to consume any more of the time of the committee unless there are some questions. I understand that a gentleman was here this morning, and he stated the case of the publishers from the publishers' viewpoint.

Mr. LONGWORTH. What do you ask?

Mr. WOLL. That our protection be higher, that a higher duty be placed on this printed matter. If the committee wants any statistical information on this I will be very glad to furnish it.

I was passing through the city here, and I was glad to take this opportunity to appear before you and speak for my craftsmen. Those are the facts. We feel particularly that this work, which has always been done by engravers, is a sort of filling-in work, to keep our men employed continually; is work that it is very desirable for us to continue to have. We have now been deprived of that work. Also, as I have said, because it fixes the price which, once fixed, is going to affect the other work.

As for the calendar work, the same tendency is noticeable there. That work is not work that has to be done in such a hurry. They can wait months for it. Because they can wait that length of time for it, they send to the foreign importers to have that work done. Naturally we feel that we ought to do that work, not only to keep our men employed, but also to give us the opportunity of bettering our craft.

The laws of this country, I understand, are meant to develop the artistic instincts of the people; and, as I have said, in no way can our high standard of work be kept up so well as by doing this most artistic work; we can not accomplish the same thing by studying, or in any other way.

If we have a chance to do this work I am sure that we will gain more than by merely having other people make those cards and we simply observing them.

I think that practically concludes our case, the case of the photo-engravers. We are not asking any protection to build up any industry, but we do ask protection to maintain the industry that we have already built up in the last few years.

Unless we get what we ask we will have serious competition. It will make it hard for the employers, as well as for the workmen, for this reason: In the photo-engraving trade the cost of production is largely the cost of labor. Recently a committee was appointed to determine the actual price of production. This committee reported that between 60 and 70 per cent of the cost in photo-engraving is the cost of labor. You can readily see how we are affected by this proposition. It means a great deal to the members of our craft.

Mr. GAINES. What wages do you make?

Mr. WOLL. The photo-engravers' wages range from $18 to $30 a week.

Mr. LONGWORTH. And what do the Germans get?

Mr. WOLL. In marks, almost the same figures.

Mr. LONGWORTH. That would be about four times as much as you get, then?

Mr. WOLL. Yes; if you consider that they get the same figure in marks. We feel that with the training that is required to produce photo-engraving and the conditions under which we must work—because we are a sort of artistic craft—we feel that the wages are not any too high, and it surely will not relieve us or give us an opportunity to better the craft by cutting down the wages, which we have now, and compelling us to separate the craft still more and practically do away with the artistic part of it.

If there are any questions as to the photo-engravers, I will be glad to try to answer them.

STATEMENT OF H. M. ROSE, THE ROSE COMPANY, 606 SANSOME STREET, PHILADELPHIA, PA., RELATIVE TO CALENDARS, PICTURES, AND POST CARDS.

THURSDAY, *December 17, 1908.*

Mr. Rose was duly sworn by the acting chairman, Mr. Dalzell.

Mr. ROSE. Mr. Chairman and gentlemen, I intended to call your attention to the difference in the hours of labor of employment here and in foreign countries, and the difference in the scale of wages.

Mr. UNDERWOOD. Before you proceed, will you please tell us whom you represent?

Mr. ROSE. The Rose Company, of Philadelphia, publishers and printers of calendars, pictures, and post cards. I find that the committee has been rather fully informed as to the difference in wages for printers and pressmen in this country and Europe, so I will simply say that the United States Government in its own printing shop has established wages and hours of labor which are very difficult for us to follow, while at the same time the market in our class of goods has been thrown open to foreign countries, with practically no duty whatever; countries where the rate of wages is from one-quarter to one-third the rate paid by us.

I am stopping at one of your principal hotels. I went to the news stand this morning on the way up here, and I find that the only post cards of the United States Capitol, the White House, and all of the views of Washington, are made in Germany. We imported from Germany alone in 1907 nearly 800,000,000 cards.

Now the cost of making those cards—speaking of post cards, although we manufacture the other lines, and they all come or should come under one general heading—the initial cost of a set of post cards, usually eight designs, which is the popular number, for drawings, and designs, and plates, is from $300 to $500. Of this fully 95 per cent is the cost of labor. The only material used is a little copper and wood on which the plates are made. Following that, the cost of the cardboard is about 75 cents per thousand; ink 25 cents a thousand, labor $1.50 a thousand. On the number of post cards imported from Germany alone in 1907, the wages that we would have had to pay would have amounted to about $1,200,000, or work for a year for 2,000 men and women at the rate of $12 a week. In addition to that there would be about half a million dollars for plates, practically all of which was labor; and then about $800,000 for cardboard and ink. The amount of labor on that I am not familiar with. We want to pay the wages that we are paying now, and we want to increase them. The publishers of books, and the other printers are going to do it on the 1st of January, and we can not do it.

Mr. DALZELL. You have given us the American wages; can you give us the corresponding cost abroad?

Mr. ROSE. I have in my pocket a brief presented to you by the American Typothetæ, which gives that exactly. I will read it to you if you want me to do so.

Mr. DALZELL. No; that is already in the hearing.

Mr. ROSE. I can not give you any different information than that.

Mr. DALZELL. Do you indorse these statements?

Mr. ROSE. Yes.

There is one other thing that I want to say to you, referring to these two cards that I brought here this morning. The cost of a set of plates before putting them on the press at all in this country is $12.50. Those foreign cards will be sold, delivered in America, duty paid, cardboard, printed, plates and all, for from $9 to $10.

Mr. CRUMPACKER. What do you charge for them?

Mr. ROSE. Two for 5 cents.

Mr. CRUMPACKER. You can not sell these at that price. They would be sold anywhere for a nickel apiece?

Mr. ROSE. No; not at all. The idea is this: A set of plates like this costs us $12.50. The printing would cost about $2. These people sell the cards, delivered in this country complete, freight and duty paid, for $9 and $10 a thousand; that is, in small quantity. In large quantities they will sell them as low as $3 a thousand.

Mr. CRUMPACKER. What can you sell them for and make a reasonable profit on the production.

Mr. ROSE. In lots of 5,000 we could sell those at $4 a thousand.

Mr. CRUMPACKER. And they sell them at $9?

Mr. ROSE. No; they sell 1,000 at $9, and that is what kills us.

Mr. CRUMPACKER. What can they sell them for in 5,000 lots?

Mr. ROSE. About $3 or $3.50. The idea of the thing is this: Nobody would buy those in 5,000 lots if they can buy 1,000.

Mr. CRUMPACKER. I suppose they are sold to wholesalers in large lots at low prices, and they send them around to the retailers, do they not?

Mr. ROSE. No, sir.

Mr. CRUMPACKER. Do you sell directly to the retailer?

Mr. ROSE. We do not sell on this class of goods, but these people do. We could not produce a thousand cards like this for less than $18 or $20.

Mr. CRUMPACKER. Of course, if you produced 1,000; but when you make a print of that kind you would print nine or ten thousand, would you not?

Mr. ROSE. No; we do not because those people will sell 1,000, consequently the American buyer will not buy larger quantities from us.

Mr. CRUMPACKER. But a city like this would probably take a thousand, and we have a great many cities of this size.

Mr. ROSE. But that does not help us. It is the quantity of this one card, it is not the general number.

Mr. CRUMPACKER. Do you mean to say that a thousand of this one card would supply the United States?

Mr. ROSE. No; that is not the method of manufacture. These goods are made to order, and the view cards of Washington will sell in Washington.

Mr. DALZELL. I do not understand that you are complaining of the German cards that represent American cities, but post cards generally?

Mr. ROSE. Generally, yes. But following this one subject, while I am at it, I had occasion to investigate the price paid for labor on plates in Germany as compared with America. They pay their

artists from 18 to 35 marks per week; 35 marks is about the pay for the best men they have over there. We pay for the same class of labor from $15 to $35 per week. There the etchers receive from 24 marks to 30 marks a week, while ours receive from $24 to $30 a week; in other words, we are paying more than four times as much for labor as they are, and it is absolutely impossible for us to compete with them.

Mr. DALZELL. The duty now is 5 cents a pound.

Mr. ROSE. Five cents a pound; yes.

Mr. DALZELL. What do you suggest the duty ought to be?

Mr. ROSE. The duty on these cards ought to be not less than 50 to 75 per cent ad valorem, or 35 cents per pound.

Mr. UNDERWOOD. Does that make a prohibitive duty?

Mr. ROSE. Not at all; no, sir. Thirty-five cents per pound would amount to $2.80 a thousand cards.

Mr. UNDERWOOD. You say that they can lay a thousand cards down for $9?

Mr. ROSE. Yes.

Mr. UNDERWOOD. What can you produce them for?

Mr. ROSE. Eighteen to twenty dollars.

Mr. UNDERWOOD. With $2 a thousand, you would not be any better off than you are now?

Mr. ROSE. It would be $2.80 a thousand, and that would make quite a big difference.

Mr. UNDERWOOD. $11.80 as compared to $18 cost in this country? That is a strong argument for a revenue duty, I must admit, but for a protective duty I do not see where you would come in.

Mr. ROSE. We would come in in this way, and particularly on the other style of cards. I am more interested in other cards than I am in these. We do not publish these at all. We publish Christmas cards, holiday cards, general greeting cards, and art cards. In cards of that kind, where we print the stock, it would be a very fine protection.

Mr. GAINES. On the cards kept in stock, the duty would protect you, would it not?

Mr. ROSE. Very much; it would be a fine protection.

Mr. UNDERWOOD. On the cards kept in stock now, what is the volume of business in this country?

Mr. ROSE. Well, I suppose there are made in this country several million dollars' worth.

Mr. UNDERWOOD. What are the importations on cards kept in stock?

Mr. ROSE. It is very difficult for me to answer that, because post cards come in as post cards, without any classification at all.

Mr. UNDERWOOD. What is the total importation of this class of cards, post cards and all?

Mr. ROSE. All post cards from Germany alone, in 1907, were 755,000,000 and some odd thousand.

Mr. UNDERWOOD. In dollars and cents, what was it?

Mr. ROSE. I do not know, but I can tell you about what it would be.

Mr. UNDERWOOD. About what?

Mr. ROSE. About six or seven million dollars, I should say. That is only an estimate, you understand.

Mr. UNDERWOOD. What percentage of that are postal cards; can you make an estimate?

Mr. ROSE. All postal cards; nothing but postal cards.

Mr. UNDERWOOD. That does not include the cost of the stock cards then at all; you have no information as to the amount of cards that come in in stock?

Mr. ROSE. Those are what we call stock cards. There is another class of cards—if you would like, I can show you the class of cards to which I refer.

Mr. GAINES. Let us see them so that we may understand it.

Mr. HILL. Just a moment. How much does a thousand of this class of cards weigh [showing German view card]?

Mr. ROSE. From 7 to 15 pounds.

Mr. DALZELL. I see, Mr. Rose, that when post cards were before us before complaint was made that there was no uniformity of duty at the various custom-houses. At some places they came in at 5 cents a pounds as printed matter, others as lithographed cards at 25 per cent ad valorem, and at other places still higher rates under various classifications. What do you know about that?

Mr. ROSE. I know that some come in at 5 cents a pound.

Mr. DALZELL. Where have you had experience upon that?

Mr. ROSE. Through importers of certain cards.

Mr. DALZELL. At what port?

Mr. ROSE. Philadelphia.

Mr. DALZELL. Is it 5 cents per pound there?

Mr. ROSE. Five cents a pound there, as a rule; yes.

Mr. CRUMPACKER. Is there any distinction made between the cards? I see some of these contain mottoes.

Mr. ROSE. Yes.

Mr. CRUMPACKER. Are those admitted as printed matter?

Mr. ROSE. They all come in as post cards; everything as a post card.

Mr. DALZELL. There is no such classification in the tariff law as a "post card?"

Mr. ROSE. Or as lithographed matter. These are the ordinary two-for-5-cents post cards, so called [handing samples of cards to members of the committee].

Mr. MCCALL. They do not come in as works of art?

Mr. ROSE. No; I do not think they do. Here is another class of card. Here is a card that comes in at 5 cents a pound also. These are what we call air-brush cards [handing cards to members of the committee].

Mr. DALZELL. Is this a foreign card [indicating]?

Mr. ROSE. That is made in my shop—all made in my place.

Now, you asked me what I know about the tariff. There is a hand-made card [indicating], and it comes in, I suppose, under the head of manufactures of silk, and supposed to pay a duty of 50 per cent. On Tuesday of this week I was in New York and I showed that card [indicating] to an importing house. He told me that he, at certain prices, imported similar cards. I asked him how it was possible for him to import those cards at that price at a duty of 50 per cent. He said that he got them through the post-office in small lots and did not have to pay duty. Of course, I do not know how he did it, but it seems that he did.

Mr. GAINES. What is your duty on cards similar to that? [Showing lithographed card.]

Mr. ROSE. Five cents a pound.

Mr. GAINES. How many in a pound?

Mr. ROSE. From 7 to 8 pounds a thousand.

Mr. GAINES. What do they sell for?

Mr. ROSE. Two for 5 cents for the card that I showed you. These are the handmade cards.

Mr. CRUMPACKER. Was any duty paid on these cards that came through the mails?

Mr. ROSE. He told me that he didn't have to pay the 50 per cent duty. What he did pay I do not know.

Mr. HILL. What is the duty on that [indicating]?

Mr. ROSE. If properly classified, that is supposed to come in under the 50-cent duty as silk goods.

Mr. CRUMPACKER. Is this one of the kind that came in through the mails without duty [indicating]?

Mr. ROSE. Without duty, I suppose.

Now, as to these handmade cards, they ought not to come in under 75 per cent duty. That is practically all labor, every bit of it, and that is the class of labor, the particular class, that certainly ought to have protection more than any other class. Men can take care of themselves, but that labor certainly should be taken care of.

Mr. LONGWORTH. Is this card mailed [indicating] as it is?

Mr. ROSE. No; those are put in a little box, with the words "post cards" labeled on the box. They are called post cards, but they are not post, they are greeting cards.

Mr. HILL. Did I understand you to say that you imported 800,000,000 last year?

Mr. ROSE. Oh, no; I did not import 2,000.

Now, this is another class of work [handing samples of cards to members of the committee]. That comes in under the same heading.

Mr. DALZELL. This is not a post card. Does this pay the same duty as a post card?

Mr. ROSE. It pays 5 cents a pound.

Mr. DALZELL. I do not see why it should. Is it printed matter?

Mr. ROSE. Lithographed matter. As a matter of fact, that particular thing is an air-brush card. It is all hand work, but they let them come in as lithographed matter.

Now, here is a sample of the calendar work [showing].

Mr. BONYNGE. Does this come in under the same duty, this card that I have?

Mr. ROSE. Five cents a pound. That, however, comes in at 25 per cent duty. [Showing a printed calendar.]

Mr. FORDNEY. What particular port does that come in?

Mr. ROSE. Through any port or the appraiser, I suppose.

Mr. FORDNEY. But pardon me, I do not think you understand. Do you mean to say that one appraiser would admit that at 5 cents a pound and another will charge 25 per cent ad valorem?

Mr. ROSE. They seem to do it. There seems to be some doubt as to what is lithographed and what is printed; but most of that stuff in New York comes in at 5 cents a pound.

Mr. HILL. They can not come in at 5 cents a pound under the law now?

Mr. FORDNEY. But he says that they do.

Mr. LONGWORTH. What is that called [indicating]?

Mr. ROSE. That is hand worked. That would come in either as lithographed matter or as printed matter at a duty of 25 per cent, and we can not compete with a 25 per cent duty.

Mr. HILL. The 25 per cent duty is limited to not to exceed 35 square inches, while that is a good deal more.

Mr. ROSE. Then what rate would they come in on?

Mr. HILL. I have not discovered that yet, but I think they would come in at 8 cents.

Mr. DALZELL. Could you make a description of these various things that would differentiate them so that proper duties could be put on?

Mr. ROSE. Certainly, yes; for instance, if that card [indicating] came in at 8 cents, it would not have any protection whatever.

Mr. DALZELL. I understand, but will you file with the committee such a description of these various things as would enable us to differentiate them in the tariff bill?

Mr. ROSE. I will do that, although probably they will all come in under one heading.

Mr. HILL. The question as to whether it is 8 cents or 35 cents ad valorem is dependent upon the thickness of the paper, and I have no knowledge of what the thickness of this paper is, whether it is one one-thousandth or twenty one-thousandths of an inch.

Mr. ROSE. I can not tell you myself. I can give you an idea of what we have to contend with in the way of labor. Here is something that I bought right here in Washington [indicating]. We pay for a set of paintings like that from $15 to $25 apiece. That is artists' work. We buy them in Germany from $2 to $3 apiece. If there is any industry on earth that ought to be protected, it seems to me that anything that adds so much to art and the education of the American public is entitled to consideration.

If we have this market, or at least the share of it that we are entitled to, there would be ten times as many artists and designers here as there are now. The United States Government certainly would not be any loser by marking this tariff what I claim it should be, because there will always be more or less cards imported on account of novelty of design, irrespective of price. The dealer would not have to pay any more and the consumer will not have to pay any more for the cards. There are popular prices at which the consumer buys post cards—two for 5 cents, 1-cent cards, the 5-cent card, and a few at higher prices. There are established prices to the jobbers and established prices to the retail dealers for this class of cards.

There is an initial cost of from $300 to $500 for drawing and making the original plate. If we print 1 card or 1,000,000 this initial cost of preparation is the same. If we print a smaller quantity the proportion of cost is larger than if we print a larger quantity. Nobody will be hurt by this duty, except the foreign laborers and manufacturers and the importers, of whom there are about 25 to 50 in this country. The importers do nothing except to sell goods. They only have a few clerks and salesmen. They are of no help to industry or labor. They go around the country and say that they can take orders cheaper than our home manufacturers can make the goods. Unfortunately that is true, and we can not deny it.

Unfortunately it is true, also, that there is only one place in America where the American manufacturer is protected, and that is in Canada. We have 33 per cent better duties in Canada as against the Germans, and, as a consequence of that, Canada is a better market than the United States itself.

I want to call attention to this [showing sheet of cards] and to say that if a duty is made on post cards, it should include post cards that are impored in sheets, ready to print.

Mr. DALZELL. Is this specifically named in the tariff bill?

Mr. ROSE. Yes, sir.

IMPORTERS OF LITHOGRAPHIC PRINTS URGE RETENTION OF METHOD AND FORM OF THE DINGLEY ACT.

NEW YORK, *December 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: On behalf of the leading importers of lithographic prints of the United States, I beg to submit the following brief with reference to the duties to be provided in the proposed new tariff act for this class of goods now covered by paragraph 400 of the existing law. Specifically, this brief is intended as an answer to the request made by the National Association of Employing Lithographers, through the chairman of their tariff committee, Mr. George R. Meyercord, presented to the committee on November 21, 1898, and reported in Tariff Hearings.

The parties whom I represent are the firms of Messrs. E. P. Dutton & Co., Raphael Tuck & Sons Company (Limited), International Art Publishing Company, W. Hagelberg & Co., Art Lithographic Publishing Company, Kaufmann & Strauss Company, of New York City, and Wolf & Co., of Philadelphia.

The American manufacturers, who admit that they now control five-sixths of the trade in this business—Mr. Meyercord admitted that the domestic production in 1905 was $25,000,000 and the total importations about $4,000,000—are certainly modest in their demands, for the increases they suggest would, as will be hereafter shown, make the duties on many of these articles 200 and 300 per cent ad valorem, and thus of course prohibitory. In this connection the following questions and answers are significant:

Mr. CRUMPACKER. You want the tariff high enough so as to practically compel them to buy American goods?

Mr. MEYERCORD. Give us free trade in our own home market; that is all we want and we will lick him.

Mr. CRUMPACKER. If you had the increase in the schedule of tariff you ask for, it would probably prohibit the importation of any foreign product, would it?

Mr. MEYERCORD. We want free trade in our home market; that is all we want. I am a free trader above the 51 per cent basis.

Mr. Meyercord begins by stating:

There have been numerous court decisions and great confusion as to paragraph 400. It is probably one of the most confusing paragraphs to be interpreted in the entire Dingley tariff act.

It would seem that if it had been confusing, and numerous court decisions had been made under it, that the confusion would have

been nearly, if not wholly, clarified. Mr. Meyercord's proposition is to introduce an entirely new and complex scale of duties, which would certainly make confusion worse confounded.

As a matter of fact there is no confusion about paragraph 400 excepting in Mr. Meyercord's imagination.

Prior to 1890 lithographic prints, like other printed matter, were dutiable at 25 per cent. The McKinley tariff act, which was considered a protective tariff, put all these goods on a basis of 35 per cent duty. When the Wilson tariff act was framed the paragraph corresponding with paragraph 400 (paragraph 308, act of 1894) was framed after a conference between the manufacturers and the importers held in Washington, and the draft was made under the supervision of General Appraiser Sharretts, an expert assisting the committee in the preparation of the bill.

There is little, if any, difference between the provisions of the Wilson bill and the provisions of the Dingley bill. These latter provisions were also the result of an agreement between the domestic manufacturers and the importers.

When Mr. Meyercord suggests there is great confusion in paragraphs which were twice agreed on by all conflicting interests, and which in the first instance were put in form by a tariff expert and a member of the Board of General Appraisers, he ought to cite some proof in support of his assertion.

In answer to a question of Mr. Crumpacker, Mr. Meyercord stated that the domestic manufacturers had larger protection under the Wilson-Gorman Act and that the rates were higher in that act than under the Dingley law. One has only to read paragraph 308 of the act of 1894 and paragraph 400 of the act of 1897 to see for himself, without being an expert, that Mr. Meyercord's statement is without foundation. Mr. Meyercord states that the manufacturers of lithographic prints in Germany sell goods in this country below the market price for the same goods in Germany, and in some cases bill goods to their own branch offices in this country at less than the market price there. As the duties on these goods are specific and the duty is in nowise affected by the value, there is no reason why the foreign manufacturers should undervalue their goods, and as to how the price they sell them here compares with the price at which they sell them in Germany, it is difficult to see how the Government is concerned with it.

The ground assigned by the American lithographers for the enormous increase of duties which they propose will not bear investigation, and we desire to submit the following reply to it:

(1) They say that the volume of importations is constantly increasing. This would furnish no ground for their application even if it were true. As they admit the importers have only about one-sixth of the business, there would be no occasion for alarm or drastic tariff legislation even if the importers' share was increasing to one-third or one-half, but as a matter of fact the statement is misleading.

The imports of Christmas cards, calendars, booklets, and novelties are not increasing, but are decreasing. There has been a very considerable increase of rate in the importations of post cards, because the craze for these articles, which ran its course in Europe and is now dying out, has been very great in this country, especially during the past year. The importations of post cards during the past year have

been $3,000,000 worth, but the demand is decreasing; the popularity of these articles is on the wane, and it is a question only of time and apparently a very short time when the demand will drop off in this country, as it has already done in Europe.

(2) The argument based on labor cost is wholly misleading. The statements of Mr. Meyercord as to the cost of labor in Europe are very incorrect. Mr. Samuel Gabriel, of the firm of Raphael Tuck & Sons Company, who has been visiting Europe annually for over twenty years and knows the market conditions abroad most thoroughly, can testify that competent pen and crayon artists receive from 80 to 100 marks a week, and not from 32 to 36, as stated by Mr. Meyercord. Corresponding artists in this country earn from $30 to 335 per week. It can be abundantly shown that Mr. Meyercord's figures for foreign labor should be at least 50 per cent higher. Mr. John Macrae, vice-president of Messrs. E. P. Dutton & Co., a firm of the highest standing, which has been in business for fifty years in the city of New York, states that the wages paid in the factory in Nuremberg, which supplies this firm with goods are from 30 to 100 per cent higher than Mr. Meyercord's estimates. Moreover, the American workman is so much quicker and more efficient than the foreign workman that he can do double the quantity of work in a given time.

Not only are the actual wages paid in Germany higher than as stated by Mr. Meyercord, but the owners of factories there have to pay certain insurance and hospital taxes, which further increase the actual cost of labor in the production. The correctness of our statements and the incorrectness of Mr. Meyercord's on this phase of the question are borne out by the fact that the importers are unable to compete with the domestic manufacturers on all but the highest class of goods; that the domestic manufacturers have five-sixths of the business, and finally by the fact that during the recent strike of lithographers in this city the employers made every effort to persuade European artists to come to America, offering them special inducements. These artists investigated the matter of relative wages in their own country and in this, and not a single one of them was induced to run away from the starvation wages abroad. The same was true of the transferrers and feeders.

(3) In this, as in many other cases, the American manufacturer is seeking to establish rates of duty which will be prohibitory of importation on goods that are not made here at all, and thus diminish the revenues without any corresponding benefit to themselves. Such goods as Christmas cards, fancy calendars for retail stationers and booksellers, Christmas booklets, valentines, and Easter booklets, cards, and novelties have never been successfully made in this country, and the American lithographers now propose rates of duty on them from 100 to 300 per cent higher than the present rate, which would largely, if not wholly, exclude their importation.

(4) The American lithographers propose that post cards shall in future be assessed as "material not exceeding eight one-thousandths of an inch at 30 cents a pound." The present rate of duty is 5 cents a pound, so they are asking to have it multiplied by six. One of my clients, Messrs. Raphael Tuck & Sons Company, are large importers of this class of goods. They cost, to make abroad, 8 marks, or $2, per thousand. The weight is 12 pounds to the thousand. The present duty at 5 cents a pound is therefore 60 cents a thousand, or about

30 per cent. The proposed rate, being six times this, would be about 180 per cent. It would amount to $3.60 a thousand. Now, it happens that the firm to which I have referred has a number of cards printed here by domestic lithographers. Two of these, the Niagara Lithographic Company and the American Lithographic Company, are members of the association represented by Mr. Meyercord. A third firm, the J. Ottmann Lithographing Company, are doing a large business in the United States. I append as Exhibit A post cards made by these domestic lithographers, with their bills for the same, which, as will be seen, are from $1.25 to $1.75 per thousand, so that without any regard to the foreign cost of these cards or the expense of getting them here, or any profit to be made on them here, the American lithographers are asking for a duty which is more than double the price at which they sell their own product. I can conceive of no more impressive proof of the outrageousness of their demands.

(5) The loss of business by the American lithographers is not caused by the cheapness of lithographic work abroad, as has already been shown. It is largely caused by the fact that lithographic goods are to an increasing extent displaced by goods which are not lithographed, but which are the product of the three and four color process of printing recently invented. Formerly all fine color work had to be done by the lithographic process. This is no longer the case. Fine goods are produced by this three and four color process, and these goods are making inroads on the business in lithographic prints, both abroad and in this country. No increase of duty on lithographic prints will protect the domestic manufacturer from this competition.

(6) The American lithographers propose to increase the duty on artistic calendars and Christmas cards from 5 to 8 cents a pound, according to thickness of cardboard, to 30 and 36 cents a pound. These articles are not and never have been made here. To increase the duties on them from 350 to 500 per cent means practically to prohibit their importation. They are bought by all classes of people at the Christmas season and have come to be looked on as one of the most attractive features of Christmas celebration. Why they should be utterly barred out at the behest of people who have nothing to gain by this act of vandalism it is difficult to imagine.

(7) Mr. Meyercord tells us that the increase of lithography in America amounts to just 25 per cent, as against an increase of 30 per cent in that of imported lithographic prints. In view of the fact that American lithographers, according to their figures, turn out annually 25,000,000, while the imported, including every conceivable sort of lithographic prints, amount, according to their own figures, to less than $5,000,000, the increase in actual figures amounts to 25 per cent of $25,000,000, equal to $6,250,000, while 30 per cent of $4,911,102 amounts to less than $1,500,000. This increase of domestic business, (more than four times the increase of importations) was in spite of the unusual demand for post cards last year and of the enormous advance which three and four color printing has made in the United States.

In conclusion, I respectfully submit that the present form and method of the Dingley Act should be adhered to in any new act contemplated by the Ways and Means Committee. The Dingley lithographic schedule is the result of years of investigation, work, and compromise of the American lithographers, the importers of lithographic

goods, and of tariff experts. The specific rate of duty is preferable, because it avoids any possibility of undervaluation and removes any suspicion that might arise in the minds of the Government or of the American manufacturers that these goods are undervalued.

W. WICKHAM SMITH,
For Importers of Lithographic Prints.

E. P. DUTTON & CO., NEW YORK CITY, URGE MAINTENANCE OF PRESENT SCHEDULE FOR LITHOGRAPHIC PRINTS.

NEW YORK, *December 18, 1908.*

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee, Washington, D. C.

DEAR SIR: We take the liberty of writing you regarding the statement made before your committee by Mr. George R. Meyercord, chairman of the tariff committee of the National Association of Employing Lithographers. Mr. Meyercord and his committee of American lithographers clearly intend, if given their way, to make the duty on lithographic prints prohibitive.

Believing that it is your intent to get such information as is available, and to prepare a tariff schedule that will be just and fair to all interests concerned, we appeal to you regarding this lithographic schedule.

The high standing of our house entitles our statements regarding this schedule to a hearing from you and your committee. Our individual imports of lithographic articles are those of the very highest order of workmanship. The lithographic goods imported by us are practically all souvenirs for Christmas, Valentine, Easter, and birthday remembrances. They consist of calendars, booklets, cards, and novelties. The class of goods imported by us are such as have never been made to any extent in this country, and it is not likely they will be made here.

If Mr. Meyercord's proposals should be incorporated in your coming revision of the tariff, it would increase the rates of goods imported by us from 40 per cent to 300 per cent. The duties would range from 45 per cent at the very minimum and range to 100 per cent. We estimate the average about 60 per cent ad valorem. You are doubtless aware of the history of import duties on lithographic materials.

Prior to the McKinley Act the lithographic goods were imported as printed matter, with a duty of 25 per cent. The McKinley bill separated the lithographic products and assessed a duty of 35 per cent ad valorem. The American manufacturers and the Government were continually feeling that certain importers of these products undervalued them.

When the Wilson bill came up for discussion there was a long and bitter struggle concerning the lithographic schedule. Finally Chairman Jones, at the request of Senator Gorman, notified both the importers and the American manufacturers that they must come together and harmonize on an equitable rate of duty, fair to the principal interests on both sides. The Wilson-Gorman tariff was the result, and the principal parties on both sides signed an agree-

ment in Washington, and their suggested schedule—with certain modifications—was finally passed by Congress.

When the Dingley tariff came up for discussion, many of the more prominent American manufacturers and importers had a conference in New York, and agreed after considerable discussion to request Mr. Dingley and the Ways and Means Committee to incorporate the Wilson tariff practically as it stood in the new Dingley tariff. This was practically done, with some modifications.

Later, however, there was considerable dissatisfaction, and the schedule was made and remade a number of times. After a good deal of hard feeling and bitterness and fighting on both sides, the principal interests of American manufacturers and importers met in Washington and signed an agreement to accept the present schedule—paragraphs 398 and 400—as practically satisfactory to the interests concerned. The American lithographers had a very strong influence, and practically had everything that Congress could possibly feel was just given them in the McKinley bill, the Wilson bill, and the Dingley bill. The agreement made and signed for the Dingley tariff, I am informed, is still in existence, in the hands of the Treasury Department in Washington or at the appraisers' stores in New York.

I take the liberty of giving you somewhat of the history of this lithographic schedule, to show you that the present schedule is the result of many years of work, dissension, and discussion by all parties concerned. The American lithographers are amply protected by the present schedule. In fact, in many instances the protection is overhigh.

Owing to the peculiar nature of the lithographic business, it is well-nigh impossible for the Government, or individuals, to know what the foreign value of these articles is. The question of originals, which varies so tremendously between artists, and the question of the difference between an edition of, say, 1,000 or 50,000, makes the determining of values well-nigh impossible from an ad valorem standpoint.

The specific rate of duty puts all importers on an equal basis. The question of size, thickness, and weights is paid for equally by all, and the American manufacturer knows just what the duties would be under certain conditions.

We can speak most positively that the lithographic imports of our house are less now than they were prior to the Dingley Act. We are informed by most of the other large importers of lithographic prints that their imports of lithographic prints has decreased rather than increased.

There has been a large volume of imports of picture post cards. We are told that something over $2,000,000 per year, for several years, have been imported in this line alone. The picture post card business has been a great craze in Europe, but is now rapidly dying out. The picture post card business here has also been a craze, but has, in our judgment, reached its height, and we are importing practically no general view post cards and a limited number of Christmas, valentine, and Easter postals. We feel assured that the importation of picture post cards will materially decrease in the next few years. This post card business more than accounts for any increase in the lithographic schedule during the past few years.

The reason why certain American lithographers have felt dissatisfied with their net earnings in recent years is largely traceable to the rise of three and four color printing. Formerly all good color work had to be done by the lithographic process. Now some of the finest color work done is of the three and four color process. Pictures, illustrations for books, children's color books, toy books, post cards, and all kinds of color work are done, and done successfully, by the three and four color process. Even the most technical and difficult of the famous old masters' paintings have been and are reproduced by this three and four color process.

Mr. Meyercord and his associate members overstate the supposed amount of lithographs imported into the country, and they largely understate the actual wages paid to foreign, especially German, lithographers and labor connected with the lithographic trade.

The American lithographers are constantly reprinting the best of our designs, and using them in whole or in part in toto, practically stealing them from us without ever so much as "by your leave," and are able to produce these designs and sell them on the American market at prices less than we actually pay for the same articles landed in New York. This is proof positive that the present rate of duty is more than sufficient for protection.

As the present schedule is the result of years of work and compromise, as it now stands it is working in a fairly satisfactory way to the importers, and by Mr. Meyercord's own statements it is producing certainly all the protection that the American lithographers are entitled to.

We earnestly petition you that you maintain the present schedule, and if you feel it necessary to make certain changes to make those changes on the basis of the present schedule. Since the enactment of the Dingley tariff we, and all the importers, have had considerable difficulty in the working of the schedule. These various disputes have from time to time been taken into the courts and before the Board of General Appraisers, and have now practically all been decided, so that both the importers and the American lithographers know just the results of the working of the Dingley Act.

If you contemplate making any change in the Dingley Act, we earnestly hope you will give us an opportunity of presenting our case before you and your committee. There is one part of the Dingley Act—that part specially referring to books for children's use containing illuminated lithographic prints weighing under 16 ounces—that should be changed. These children's color books are manufactured principally in Germany, and are of the highest art color work. The present rate of 8 cents per pound is practically prohibitive, shutting out all but a few of the very highest order. We believe this duty should be reduced from 8 cents per pound to 5 cents per pound.

In conclusion, we emphasize again the fact that what Mr. Meyercord and his committee ask for is not protection but prohibition, and we assure you and the gentlemen of your committee that the rates asked for would prove prohibitive.

We refer to the schedule as specifically applying to lithographic prints, as we know nothing concerning the cigar labels, flaps, and bands and have no interest whatever in these items, or in any form of labels.

Thanking you in advance for the courtesy of receiving this protest, we are,

Faithfully, yours, E. P. DUTTON & Co.,
Importers.

SUPPLEMENTAL BRIEF FILED BY THE NATIONAL ASSOCIATION OF EMPLOYING LITHOGRAPHERS, CHICAGO, ILL., RELATIVE TO LITHOGRAPHIC PRINTS.

CHICAGO, ILL., *December 21, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We present herewith the supplementary brief of the National Association of Employing Lithographers to make clearer some of the statements and answers made by our chairman, Mr. George R. Meyercord, as also to answer the briefs and statements of those opposed to our proposed substitute for paragraph 400.

Mr. Underwood asks:

What is the total production in the United States?

Mr. Meyercord answers:

About $25,000,000.

While this $25,000,000 is correctly stated, yet it is also a fact that the selling value of lithographic color work in this country, in which there is competition with German lithographers, is not more than $12,000,000.

The Treasury Department statistics show that in the fiscal year 1908 there was imported under paragraph 400 lithographs to the value of $4,911,102. In addition to which it is estimated that there was also imported under paragraphs 398, 403, and 407 lithographs to the value of over $2,000,000.

It may therefore be stated that the total imports for the fiscal year 1908 amounted to at least $7,000,000. Specific and ad valorem duties transformed to ad valorem equivalent would equal in round figures 20 per cent, while freight, insurance, selling expense and profit would certainly add at least 30 per cent more; therefore the comparison of the selling value in the United States of imported lithographic color work and domestic lithographic color work is as $11,000,000 imported to $12,000,000 produced in the United States.

Mr. Underwood again asks:

What do the exports amount to?

Mr. Meyercord answers:

I have not those figures, but I do not believe they amount to more than $1,000,000.

The probabilities are (although we have not the exact figures) that they do not amount to more than $150,000. A very considerable part of this is in advertising matter for American manufacturers to advertise their products abroad, and not for lithographic work for foreign consumption or manufacture.

The chairman asks:

What proportion of the domestic production is used by manufacturers?

Mr. Meyercord answers:

I venture to say they consume 90 per cent of it.

This answer should be amplified by stating that fully 60 per cent of all lithographic color work produced in the United States is used by the manufacturers for advertising purposes, and does not enter directly into the cost of their goods, nor are they compelled to use lithography; there are many other processes which they could use if they so desire; while another 20 per cent is for so-called art productions, leaving only 20 per cent of the entire product used by manufacturers as an item entering into costs of their goods.

(We file the following answers to brief and statement of Mr. John G. Duffy, representing Louis C. Wagner & Co., and Charles Stutz Company of New York, and to the statement of Mr. Louis C. Wagner, of New York, and to the statement of Mr. I. Wolf, of Philadelphia, made before the Ways and Means Committee of the House of Representatives, on the tariff hearings, on Saturday, November 21, 1908.)

Mr. Duffy states:

It is also a fact that there has not been a single year under the Dingley tariff when there was imported into this country $200,000 worth of this item of lithographic prints [i. e., cigar labels, flaps, and bands].

The statistics of the custom-house at the port of New York alone will show for the fiscal year ended June 30, 1907, there were imports of lithographic cigar labels, flaps, and bands (at the very erroneous and misleading values given in the invoices of the importers) in an aggregate of $342,834.80; and for 1908, under still lower invoice values and a year of great depression in business, $337,016.04.

Mr. Duffy states that the duty ran from 44 per cent to 73 per cent.

Again, the statistics of the custom-house at the port of New York will show for the fiscal year ended June 30, 1907, that the specific duty, transformed to ad valorem equivalent, ran from 17.88 per cent to 46.67 per cent, and the latter figure of 46.67 per cent was on importations to the value of exactly $12, while the largest item in importations of cigar labels, flaps, and bands, "printed in less than eight colors, but not including metal leaf printing," amounted to $216,746.80, which at the specific duty of 20 cents per pound transferred to its ad valorem equivalent, equaled 20.94 per cent. For the year 1908 the imports of cigar labels, flaps, and bands printed in less than eight colors amounted to $206,771.50, which at the specific rate of duty, 20 cents per pound, transferred to its ad valorem equivalent, equaled 23.95 per cent. This seeming increase of ad valorem equivalent in 1908 is accounted for by the lower valuations in the invoices of the German exporters, for while the weight of lithographs in 1907 amounted to 226,886 pounds, in 1908 the weight amounted to 247,652 pounds. Under a specific duty, the lower the valuation the higher will be the ad valorem equivalent.

Mr. Duffy also states—

A set of cigar labels costs about 4½ cents a box, and sometimes more.

This is absolutely incorrect and misleading. The average cost of labels, flaps, and trimmings of a box is less than 40 cents on the average cost of $40 per thousand cigars; therefore if the cigars were packed 50 in a box, the cost would be 2 cents per box.

In the brief by Mr. Duffy for Mr. Louis C. Wagner and others it is stated—

prior to the act of 1894 no distinction was made between this class of merchandise (i. e., cigar labels, flaps, and bands) and other lithographic prints.

This is true in part, for there were practically no importations of cigar bands in 1894, nor when the Dingley tariff act was enacted in 1897. If there had been any quantity of such merchandise imported, it would have been properly covered in the Dingley tariff act. We are now seeking to protect an industry in the United States for the production of this class of lithographic color work.

There has been some fear that giving the protection asked for by the lithographers of this country would work a hardship to the ultimate consumer. This is best answered by stating that the average cost to the cigar manufacturer for cigar bands is 3 cents for each box of 100 cigars. The manufacturers, because of competition with each other, have been compelled to use these cigar bands, so that each particular brand of cigar is identified by the band.

You will undoubtedly note that this brief of Mr. Wagner's was drawn up by two firms of attorneys who have absolutely no knowledge of the subject which they are discussing.

The brief for Louis C. Wagner & Co. and Charles Stutz & Co., of New York, was intended to be misleading; they state:

It is also known that the American lithographers, besides possessing a practical monopoly of the trade in cigar labels on this side, have for many years invaded the foreign markets, particularly Germany, where imported labels are produced.

Mr. Wagner states:

Just one moment. It was said a while ago by my predecessor that there were no cigar labels exported to Europe. I have here some samples of the American Lithographic Company showing their agent in Holland, another one showing their agent in London, and another one showing their agent in Hamburg. They do export their cigar labels right into England and Germany in competition with those made in those countries.

In answer we say that this lithographic establishment is the only one in the United States who within recent years has exported cigar labels to any extent. We have had access to their books and find the exports were as follows:

To Germany:		
1906, 12 months	$559.01	
1907, 12 months	370.45	
1908, 11 months	273.95	
		$1,203.41
To England:		
1906, 12 months	995.70	
1907, 12 months	1,120.79	
1908, 11 months	690.46	
		2,806.95
To Holland:		
1906, 12 months	4,345.79	
1907, 12 months	3,343.36	
1908, 11 months	2,891.98	
		10,581.13

Contrast the exports during the year 1907, amounting to $4,834.20, with the imports for the year 1907, amounting to $342,834.80, and you will see how flagrantly misleading the brief for Wagner is, as also his statement.

In the brief for the National Association of Employing Lithographers they do not ask that the tariff should be so increased as to produce a reasonable profit. Owing to German competition, all the profits of the lithographic industry for the last fifteen years have gone into new machinery in an effort (so far futile), by the aid of that new and improved machinery, to meet the competition of Germany, where wages are from one-fifth to one-quarter of the wages paid in the United States.

ANSWER TO STATEMENTS OF MR. I. WOLF, OF PHILADELPHIA.

Mr. Wolf has not attempted any answer to our brief asking for a duty sufficient to protect our workmen in their scale of wages, which are four times the wages paid in Germany.

Mr. Wolf possibly had in mind that certain processes (not lithographic) used in producing postcards could compete with postcards made in Germany, but we positively know that it is absolutely impossible for any American lithographer to compete with Germany in producing lithographic postcards.

The statistics of the custom house at the port of New York will show that for the fiscal year 1907 (which is the latest records we have at our command) there were importations, under the clause of paragraph 400, covering postcards, in a value of over $2,000,000, which at the specific duty of 5 cents per pound, transferred to its ad valorem equivalent, equals 15.89 per cent. As we have shown in our brief that wages are 41 per cent of the total cost of our product, it will be seen at once that Mr. Wolf is perfectly satisfied with a duty which pays 15.89 per cent ad valorem, while we show we require a differential of 31 per cent alone for the difference in wages between Germany and the United States.

DECALCOMANIA.

In the tariff hearings, Mr. Otto Palm states:

Decalcomania is something entirely different. Decalcomania as it is imported or made here is not perfect in itself. It is simply an article that goes into the manufacture of other articles.

This admission by Mr. Palm was the basis for the decalcomania contest before the board of appraisers and before the court at Philadelphia, and was the fundamental principle on which it was decided. In the brief of the National Association of Employing Lithographers it is our recommendation that they be separately classified.

Again, Mr. Palm states:

As far as we are concerned, I think we (meaning importers) all agree that we are satisfied to let the duty on decalcomania remain as it is now. We do not ask any reduction or any increase.

The above paragraph can not be construed as anything but meaning the supreme satisfaction with which the importers now view the duty on decalcomania. It shows that they have a great advantage.

Mr. Palm also states:

If you want to foster and help the pottery industry of America, this committee should put decalcomania on the free list instead of increasing the duty, although we do not ask that. We are satisfied as it is to-day.

In analyzing that statement from the standpoint of the domestic manufacturer, we state that the average decalcomania ornaments required for a complete 100-piece dinner set are about two sheets. Average American selling value, 15 cents per sheet. Total cost of decalcomania required for dinner set, 30 cents. An increase in the duty from the present to that suggested in our brief would amount to from 6 to 7 cents additional per dinner set, or about 1 per cent increase in factory cost to the potter.

Mr. Palm says:

The imports of decalcomania in this country do not exceed $400,000.

He is correct when he states that this is the import value on the foreign invoices, but the article is one that is—you might almost use the term—peddled in small amounts. The selling expense closely approximates the factory cost. Fully 45 men make a living alone selling the article. Many offices are maintained. The domestic selling price of the imported decalcomania closely approximates $800,000. The total sales of domestic manufacture probably equal the sales of imported decalcomania, but the domestic manufacture consists largely of decalcomania mounted on wood, iron, glass, leather, and the like. These additional processes bulk largely in the amount of the domestic sales. The actual sheets of imported decalcomania sold on the paper on which it is printed is more than double the domestic production. In other words, only one-third of this decalcomania is made in this country, fully two-thirds of it being imported.

In the brief submitted by the decalcomania importers the importers again confirm the view of the court that a decalcomania is a separate article of commerce bought and sold, and in their description show that it is a transfer picture.

The brief states "that it was only in 1900 the use of decalcomania became quite general with the potters."

The domestic manufacturers of decalcomania as early as 1897 sold decalcomania to the potteries, introducing the process. This can be readily demonstrated to the committee. The brunt of the cost of introduction of decalcomania process to the American pottery industry was borne by the domestic manufacturer, but the domestic manufacturer lost the entire grip on the trade through the absolute unfairness of the tariff laws and the manipulations of the importers.

The brief states the following:

With the growth and development of the pottery industry the importations grew readily, and for several years there was no question raised as to the propriety of classifying it as lithographic prints, under paragraph 400.

That is true, but ruin stared the American manufacturer in the face when a smart importer in New York conceived the idea of stripping the tissue paper from the heavier paper and shipping it under the weight of the tissue, thus reducing the duty to 2 per cent or 3 per cent ad valorem. This stripping process absolutely drove out of business nearly all of the decalcomania manufacturers of America, notably, the Pittsburg China Decalcomania Company, Pittsburg Pa.; the Scientific Manufacturing Company, Highland Park, Ill.; the United States Decalcomania Company, Chicago, Ill. (formerly of Green Bay, Wis.); Stang & Co., New York City. There were also others.

The Philadelphia court records will show the outrageous situation brought about through this evasion of the intent of paragraph 400.

Again, the brief states:

When decalcomania was first used by the potters, there was absolutely no manufacturer in this country.

This is an absolute untruth, as the printed hearings on the paper schedule of the Dingley law will show that domestic manufacturers were in existence at that time. Also, as previously stated, one American manufacturer was in the field in 1897 selling to the potters. To show the frightful harm done by the Dingley law, the books of the leading domestic decalcomania manufacturer will show that the firm did a business with the potteries four years ago of nearly $200,000 sales, or an average of over $15,000 monthly. That same firm's books will show less than one-twentieth of that amount of sales to the potteries last year.

Having read the testimony offered by those opposed to our proposed revision of sections 398, 400, there has not been advanced one good reason for neglecting to, in future, distribute among the workmen of this country the wages part of that 1,000 per cent of increase in importations, amounting during the brief period from 1897 to 1908 to over $20,000,000. We ask your honorable committee to recommend such a revision as will cause this enormous sum of money to be paid to American labor, thus insuring that lithograghs used in the United States shall be made in the United States. American workmen wish this, as do American manufacturers. They ask you to prevent ever-increasing millions of American money going to German manufacturers and workmen.

Facts previously submitted, that talk loudly, are—

Wages approximate $1 in Germany to $4 in the United States.

Importations under present law estimated at over $7,000,000 in 1908; $799,475 in 1897.

We specifically deny (1) that similar manufacturing is or can be as cheaply conducted in this country, or that the present tariff produces an equality; (2) that American lithographs reach foreign countries in appreciable quantities.

Germany, the home of the industry, favored by cheap wages, cheap living, government schools, sells in all countries; whereas we, with high-cost materials and wages, can sell solely in this country. Why permit Germans, as under the present law, to increase their United States trade by leaps and bounds? Why not give to us the trade of our country? Why not give that 41 per cent of cost, in wages, to those who live and labor in the United States?

Respectfully,

ROBERT M. DONALDSON,
HORACE REED,
GEORGE R. MEYERCORD, *Chairman*,
Tariff Committee National Association of Employing Lithographers.

HON. D. S. ALEXANDER, M. C., SUBMITS LETTER OF THE GRAPHIC ARTS CO., BUFFALO, N. Y., RELATIVE TO LITHOGRAPHS.

BUFFALO, N. Y., *December 21, 1908.*

Hon. D. S. ALEXANDER, M. C.,
Washington, D. C.

DEAR SIR: We desire to call your attention to the imports of lithographs, which a careful computation shows during the past year to have been $1,000,000 per month, and during this time the industry in this country has been at a standstill, or, in other words, paralyzed by foreign competition.

We believe that the tariff on imported lithographs should be raised fully 25 per cent, as we can not compete with foreign countries that pay for labor about one-third what we pay here.

It is now generally known that the Ways and Means Committee of the House has been holding meetings on this subject for some time past, and we desire that you represent us in this matter, and voice our sentiments.

Trusting you will give this matter your early and careful attention, we are

Yours, respectfully, GRAPHIC ARTS COMPANY,
WM. D. WEINIG.

V. C. WARD, IMPORTER, NEW YORK CITY, THINKS PRESENT DUTIES ON LITHOGRAPHIC PRINTS PROHIBITIVE.

NEW YORK CITY, *December 22, 1908.*

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: Having been an importer of German lithographic goods for twenty-five years, I herewith beg to present a few items for your consideration if any changes are contemplated in the schedules for tariff on such goods as now are listed under article 400.

I submit that the present schedule is practically prohibitive on all prints which are scheduled as over 35 square inches in dimensions; that the 5 cents per pound rate is the only part of schedule 400 that is supplying any considerable revenue; that the goods now coming in under that schedule were originated in Germany, and the demand for them built up entirely by the importers of German lithographic goods, whose former business had been ruined by the excessive duties called for by both the tariff laws of 1894 and 1897; their former business having been the importing of souvenir booklets, souvenir albums, and calendar views of scenic and resort localities. It having become impossible to import the old styles of souvenir goods, they invented the post-card idea and exploited them in every section of America where their souvenir books and calendars had formerly been sold.

I submit further that the only reason that it is at all possible to bring into America these post cards is because of the general depression that has chronically existed in the labor market now for a long time in German cities, which has enabled the manufacturers to hire employees at all but starvation wages.

I submit further that the present prohibitive tariff on lithographic goods has enabled the American lithographic workmen to exact the highest schedule of wages paid to any of the skilled laborers in America. (For statistics on this subject see the very able paper read before your committee on November 21 by Mr. George R. Meyercord, the representative of the National Association of Employing Lithographers.)

The American lithographers are asking for a 75 per cent tariff on imported goods that compete with them, which if allowed will only still further increase the already enormous scale of lithographers' wages in America at the expense of the great masses of the American people who are not engaged in the printing of pictures but who nevertheless enjoy the luxury of buying and owning pictures.

The American farmers are the ones who would be the greatest sufferers from any raise in the tariff on German goods, because German workmen have for a generation been neglecting the farms for the attractions of the trades in the cities, and if we destroy their market those workmen will be driven back again to the farms and thus produce again the grain, the meat, the wool, etc., that they are then no longer able to buy from our American farmers.

On November 16, in the German Reichstag, a speech was made by a Mr. M. Boehm, in which he showed that 500,000 German workmen were then out of employment and that in many localities those who were employed were working only on very short hours.

In the harbor of Hamburg, Germany, are now hundreds of idle ships that were formerly engaged in transporting the vast products of the factories of Germany to all of the world's markets.

If the wages that the German workman gets have really given him such an advantage over the commerce of the world why is it that such conditions exist there?

The lithographic business of the United States is no longer "an infant industry." With the claimed investments in the business of $50,000,000 and with the highest known scale of wages paid to its workmen, its desire for the enormous increase in tariff schedules to a 75 per cent basis is simply a piece of arrogant effrontery.

In the year 1892, prior to the enactment of the present almost prohibitive tariff on lithographic goods, there were, in the city of Leipzig, Germany, over 1,000 lithographic presses—there are still more there to-day. I submit that for this country to enact prohibitive duties against German-made goods would do more damage than for us to bombard the German cities; and that the damage, though at first to be felt only by the German public, would inevitably soon fall reflexively upon the American farmers who now supply so large a portion of the food that the German workman must eat. Gentlemen, instead of increasing the tariff, if you need revenue, and if needing it, you expect to get any considerable portion of it from the class of goods that compete only with the highest priced labor in America, reduce the tariff on German-made goods that come in under paragraph 400, so that none will be scheduled at over 25 per cent ad valorem.

Before closing I would like to call your attention to one feature of the importing business which thus far in the arguments before your committee has been overlooked: American lithographic presses operate about three times as fast as German presses do, and they can,

in a given time, turn out about three times as much work as a German press, with the same number of laborers; also, quick delivery is the great obstacle in competition that the German can not overcome. The American buyer to-day likes to give his order one day and have his goods shipped the next day. He knows that it must be many weeks, if he sends his orders to Germany, before he can see his goods. These advantages, in favor of the American lithographer, are so great that even were it an infant industry it would need no protective duty.

Respectfully submitted.

V. C. WARD,
Agent for Emil Pinkau & Co., Leipzig.

EXHIBIT A.

COLUMBUS, OHIO, *December 11, 1908.*

Mr. V. C. WARD, *New York.*

DEAR SIR: Thanks for your letter of 10th. Samples will likely get in to-morrow. I will consider them. But I have some fine American samples, which are satisfactory, and much better than the Chicago sample sent you, at a very much lower price than you quote. Will want 100,000 of our buildings.

Yours, truly,

THE M. C. LILLEY & Co.,
Per JOS. PALLEN.

EXHIBIT B.

COLUMBUS, OHIO, *December 19, 1908.*

Mr. V. C. WARD, *New York, N. Y.*

DEAR SIR: We are returning sample postals by this mail. We thank you for your quotations. We are making up our drawing and expect to place order elsewhere at a less price than you quote for equal work.

Yours, very truly,

THE M. C. LILLEY & Co.,
PALLEN.

THE DETROIT PUBLISHING CO. SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO PICTORIAL POST CARDS.

DETROIT, *December 23, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

SIR: In accordance with your suggestion, I respectfully submit this memorandum supplementing letter of December 2.

The purpose of this brief is to make clearer important points alluded to, but not fully stated.

To avoid repetition, I recapitulate the facts already stated, giving you the necessary references. They are:

(*a*) This trade did not exist when the present schedule was made, being developed in the last ten years in this country.

(*b*) It was developed at the expense of home manufacturers and only reached serious volume five or six years ago.

(*c*) When we had created a market sufficient to make it valuable, it was invaded by foreign makers who have reaped nearly all the benefits of the trade without incurring the costs of creation.

(*d*) In spite of prices which have constantly fallen for six years, the proportion of trade absorbed by the foreigner has constantly increased until now it exceeds four-fifths of the total, and the American maker is in danger of being driven out altogether.

(*e*) The present duty is negligible, and in many cases is from one-third to one-seventh that of other articles printed in the same medium having no greater relative value and even a lesser percentage of labor cost.

The advantages the foreign manufacturer has are:

1. He pays wages not exceeding one-third the American rates, and more often less.

2. The cost of initial designs (which is apart from the manufacturing cost of the card itself) is one-fifth to one-quarter that of similar designs made here.

3. All his materials are lower.

4. Copyrights at considerable cost for maintenance are necessary in this country to prevent stealing of designs, which is an expense foreigners save because of different laws abroad.

5. The nature of the domestic trade and the fact that Americans have no foreign markets compel making very much smaller average editions in this country than abroad, thereby greatly increasing the cost per unit manufactured even if there were no other handicaps such as wages.

Details as to the above facts will be found in the statements of—

Mr. George R. Meyercord, November 21.
Campbell Art Company.
The Albertype Company.
San Francisco maker.
Detroit Publishing Company.
The Rose Company.
Forbes Lithograph Manufacturing Company.

The greatest difference in wages noted is conservatively stated and can be easily verified further if any doubt remains in the minds of your committee. Disregarding expense of initial designs, the percentage which labor and overhead cost bears to the total in this country is rarely under 50 per cent and on an average not under 75, and even runs as high as 95 per cent of the total on some work.

The foreign maker often appropriates our designs, and even where copyrights exist it is most difficult to get recourse.

See Exhibit A, which includes five German cards all by different publishers and all copied from photographs or designs produced and copyrighted by us at our expense and stolen by the makers.

On fancy cards, and even on views of travel, the cost of the initial design is a large factor and may even exceed the manufacturing cost. The very low rate at which designs are obtained abroad is not only due to the great difference in all wages pertaining to the graphic arts, but is still further increased by the large numbers of art students

abroad who support themselves at very low rates in order to obtain educational advantages.

Copyrights to protect designs have not been explained, but they are no small tax. It may be answered that the expense of registration is trivial, but that expense is very small compared with the cost of maintenance of a copyright which includes making sure that every copy issued has the proper imprint. The inspection and verification and other technicalities add a heavy burden. The foreign maker has his designs protected abroad by the law without registration and without "notice" or "imprint" requirements.

Enough stress has not been laid upon the enormous advantage the foreigner has by reason of his large average editions. When he only pays one-third our wages it is easy to see this advantage, but it becomes more obscure when we speak of size of editions. In the first place, the foreign maker has a very much larger market to draw from, because he may, and in fact does, manufacture for practically the whole world. We are limited to this country alone. On all designs, therefore, which have an international use he makes editions for all countries, aggregating the whole in one lot. Where different type is required, he merely alters it for that section of the edition. As this includes nearly all the "fancy cards," his advantage in that trade is overwhelming. To show the importance of edition we will take a type of card which can be manufactured (exclusive of the cost of the design) for $15 per thousand in 1,000 editions. The same card in 5,000 editions would probably cost $5 per thousand. The addition of the cost of the design still further increases the margin against the American maker.

Reference has been made to the fact that the domestic maker is being driven out of competitive business. To explain what we mean by this: Where a customer has his own subjects, it is clear that anyone may bid on the work, and the customer will take the lowest price. The foreign makers now have almost a monopoly of this business. If the American maker gets out designs of special merit and then incurs the expense of copyright and maintenance of copyright, he can preserve the business on those designs to himself, and it becomes in a measure noncompetitive, but he does it at an almost prohibitive handicap of adverse costs and at the risk of finding that some foreign house will copy the designs, altering them enough to escape technical infringement if they prove salable.

COST OF IMPORTATION.

Cards made by engraving or photogravure of photo-gelatin work pay a 25 per cent ad valorem duty. Because of the lower duty upon lithographed cards, which is practically nil, all cards which can be forced into this process are now imported in that state.

Lithographed cards come under paragraph 400 as lithographic prints exceeding eight-thousandths of an inch and not exceeding twenty-thousandths of an inch in thickness and not exceeding 35 square inches cutting size. They pay 5 cents per pound, which (according to the weight of the card) equals from 35 to 55 cents per thousand cards. Transportation from the factories abroad to New York varies from 20 to 30 cents per thousand, so that the total cost of duty and transportation is from 55 to 80 cents per thousand cards.

This is irrespective of the value. If this same work exceeded 400 square inches it would pay 35 per cent duty. As they are generally made in large sheets containing from 30 to 70 cards and these sheets are subsequently cut up, it will be seen that if they were imported before the manufacture is completed they would pay much more duty than they do in the finished condition. To show the further absurdity, one card imported may cost ten times that of another and yet the duty remains the same for all. Playing cards, in which the average percentage of labor cost is lower, pay a specific duty of $1.92 per thousand plus a 20 per cent ad valorem, while the post cards pay rarely to exceed 50 cents per thousand specific duty alone.

WHAT THE NEW DUTY SHOULD BE

Your committee is asked by a number of interests to greatly increase the duties, and they indicate rates varying from 35 to 75 per cent ad valorem, and in other cases a specific duty, such as 35 cents per pound. All are agreed that cards should have a special class by themselves, irrespective of medium employed. We believe some specific duty is necessary, because this product is one peculiarly susceptible to even honest differences of opinion as to values, and also to intentional evasions on the part of makers. To illustrate: A foreign maker will print an edition of cards for England or Germany. In his first order he includes the cost of designs and plates. After delivery he figures the plates are on hand at no cost to himself. He then gives an American importer a subsequent edition or an excess from the first edition without any allowance for cost of designs or plate making, and the cards are valued accordingly for import purposes. This recourse is not open to the domestic maker, because costs are prohibitive so far as exporting is concerned. Consequently we are limited to the one market. While a specific duty is necessary, we do not believe it will be satisfactory alone. The reason is this: Cards are imported costing as high as $40 per thousand. It is evident that if the specific duty were fixed at $2.50 per thousand, what might be a satisfactory duty on a card costing $3 is no protection at all on a card costing $20. We strongly urge both a specific and an ad valorem duty, the same as now applied to decks of playing cards. They are imported under a specific duty of 10 cents per pack plus 20 per cent ad valorem (equivalent to $1.92 per thousand cards plus 20 per cent). The suggested specific rate of $2.50 per thousand on the post cards would be relatively a lower rate, and if there be added to that an ad valorem duty equal to the highest percentage rate applied to the processes employed in the article, we believe the result would not only be the most satisfactory in application, but the fairest that can be devised. It also permits fair importation.

It should be borne in mind that an initial specific duty providing some minimum is absolutely necessary in order to equalize the great difference in the average editions in this country and those abroad, and to equalize the great difference in cost of initial designs, and also to take care of the relative undervaluing, which is sure to occur in many cases by reason of designs and plates being already considered as paid for by previous editions. In fixing an ad valorem percentage, it should likewise be borne in mind that, in proportion to its value, the quality of work upon most pictorial cards is of a very high order, in-

volving very high percentages in labor, and that its class of workmanship and relative expense per area is generally equal in the average to the highest class of work done in the process. That is why we say the ad valorem duty added should be the same as that of the highest class pertaining to the medium used. Again, it should also be borne in mind in considering the minimum that there is difficulty at times in determining the medium used in the manufacture. This is especially the case where more than one medium is employed on the same card. Of course, we are aware this difficulty is a strong argument in favor of a specific tax only, and we would favor it alone but for the wide range of price of the product which makes a combination duty imperative to give fair protection. To show your committee some of the different mediums employed we send you Exhibit B of cards covering seven different processes.

It may be asked why the domestic manufacturer is not driven out of the business with the excessive disadvantages under which he labors. The answer is that on competitive business he is practically driven out now, and only on special designs which he controls or work requiring a quicker delivery than can be gotten abroad is he able to maintain his place. This is the smaller market, and unless he is given a fair share of the larger market he will in time be forced out altogether.

QUALITY OF DOMESTIC WORK.

It is stated that purchases are made abroad because the quality of the domestic work is not sufficiently good. Such statements are false, for there is as good work produced in this country as any abroad.

DEFINITION OF PICTORIAL POST CARDS.

Pictorial post cards should be defined to include all cards of similar size and character, whether having the post card imprint or not. Frequently part of an edition is printed with the mailing imprint and part in blank, using the surplus for "place" or "tally cards" and other purposes. If the definition of the article is not made very inclusive, then importers will bring it in without the mailing imprint under different classifications if your committee decide to establish a separate class for all mailing cards regardless of the process by which they are made, as in the case of playing cards.

All of which is respectfully submitted.

DETROIT PUBLISHING CO.,
W. A. LIVINGSTONE, *Mgr.*

THE ROSE CO., PHILADELPHIA, SUBMITS SUPPLEMENTAL BRIEF ASKING HIGHER DUTIES FOR LITHOGRAPHIC PRINTS.

PHILADELPHIA, PA., *December 24, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Following your request that I submit to you a schedule of classifications and desired rates of duty, with reasons for asking same, I beg to submit the following:

There should be no difference in duty between printed, lithographed, stamped, embossed, or engraved post cards, and there should be no

difference between printed, lithographed, stamped, embossed, or engraved calendars or pictures. The present duty of 5 cents per pound on lithographed work and 25 per cent ad valorem on printed matter of the same character is confusing, as none but an expert could judge the difference, and even the expert must employ powerful magnifying glasses. The result of this is shown in the fact that in some ports of entry 5 cents per pound is charged on post cards and at other ports 25 per cent ad valorem for the same goods.

SCHEDULE.

Engraved, printed, stamped, embossed, or lithographed post cards in sheets or single, or pictures that could be used as post cards by the printing of the address on post card side, weighing 8 pounds per 1,000 or more, 35 cents per pound, or an ad valorem duty of 50 to 75 per cent. (See Exhibits A1, A2, A3, B1, and B2.)

Engraved, printed, stamped, embossed, or lithographed post cards, in sheets or single pictures that could be used as post cards by the printing of post card side, weighing less than 8 pounds per thousand cards, 50 cents per pound, or 50 to 75 per cent ad valorem.

Post cards made of cardboard only, air brushed or hand painted, in sheets or single, whether printed with the post card or address side or not, 50 cents per pound, or 50 to 75 per cent ad valorem. (See Exhibit C.)

Post cards, hand made, with component parts of silk, satin, plush, celluloid, or similar materials, metal, feathers, or any foreign substance other than cardboard, 75 per cent ad valorem. (See Exhibit D.)

Holiday or season cards, gift cards, greeting cards, and booklets should come under the same duties as post cards and under the same relative classifications, for the reason that the only difference is shape, size, and the printing of the post card or address side. The materials, methods, labor employed, etc., are identical and the protection should also be the same. (See Exhibits E, F, G, H.)

Calendars and calendar backs, printed or engraved, embossed or stamped, or lithographed calendars or calendar backs or pictures suitable for the same purpose, 35 cents per pound if on cardboard, 60 cents per pound if on paper. Fourteen-point stock and heavier, according to Brown & Sharpe Manufacturing Company's paper gauge micrometer caliper, same to be the standard for cardboard; anything lighter to be classed as paper. (See Exhibits I, J, K, L.)

Air-brushed or hand-colored calendars or calendar backs, 50 cents per pound. (See Exhibit N.)

Hand-painted or hand-colored calendars or calendars of which the component parts or decorations are of materials other than paper or cardboard, 75 cents per pound. (See Exhibit O.)

I beg to submit herewith exhibits as follows:

EXHIBIT A.

Printed and lithographed post cards of the ordinary so-called view post-card styles, showing the difficulty in deciding whether the cards are lithographed or printed.

EXHIBIT A 1.[a]

Showing printed card.

EXHIBIT A 2.[a]

Showing lithographed card.

EXHIBIT A 3.[a]

Post cards imported into Philadelphia within the past four months which the custom-house here declared not lithographed and therefore subject to 25 per cent ad valorem, and the manufacturer, as per letter attached, declares are lithographed.

EXHIBIT B.

Showing regular so-called stock post cards; that is, not made specially to order; B 1, showing lithographed cards; B 2, showing printed cards.

EXHIBIT C.

Air-brushed post cards.

EXHIBIT D.

Hand-made post card, the component parts of which are not exclusively cardboard.

EXHIBIT E.

Season card, not a post card.

EXHIBIT F.

Season booklet, printed or lithographed.

EXHIBIT G.

Season booklet, air-brushed.

EXHIBIT H.

Season booklets, hand made, with component parts not exclusively of cardboard and paper.

EXHIBIT I.

Printed calendar back.

EXHIBIT J.

Lithographed calendar back.

EXHIBIT K.

Picture on cardboard suitable for calendar back.

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[a] To show why the duty on printed and lithographed cards should be alike.

EXHIBIT L.

Picture on paper suitable for calendar back or for mounting on same.

EXHIBIT M.

Circular of foreign manufacture.

EXHIBIT N.

Air-brushed calendar.

EXHIBIT O.

Hand-painted calendar with the component parts not of cardboard exclusively.

The reasons why these duties should be imposed are as follows:

Pressmen and printers receive in this country from three to four times as much for labor as is paid in foreign countries. Artists and photo-engravers receive as much in dollars in this country as is paid in marks in Germany per week. For instance, artists receive in Germany from 18 to 35 marks per week. Our artists are paid from $18 to $35 per week. In addition to this, the hours of labor in Germany are from 20 to 25 per cent longer than they are in this country.

The United States Government in its own printing shop has established hours of labor and a scale of wages that all high-class printers and publishers in this country wish to follow, but it will be impossible for them to do so unless reasonable protection is accorded.

The question naturally arises, What is reasonable protection, and who would be the gainers and who the losers if it were applied?

Calendars, pictures, holiday and season cards and post cards should come under the same category. For the sake of brevity I will confine my statement to post cards, taking for example the ordinary post card of which the largest quantities are sold, namely, the cards that are retailed two for 5 cents in the shops. The cost of production is about as follows:

For first cost in the way of designs, drawings, plates, $300 to $500 for a set of eight designs, which is the popular number.

The cost of cardboard is 75 cents per thousand; ink, 25 cents per thousand; labor, $1.50 per thousand.

In the year 1907 the United States imported from Germany alone nearly 800,000,000 post cards. This would mean, for labor alone, $1,200,000, or employment for a year for 2,000 persons at the rate of $12 per week. This does not include between $400,000 and $500,000 for plates, designs, and drawings, and $800,000 for cardboards and ink, if these same cards had been printed in the United States.

Of the amounts credited to drawings, designs, and plates fully 95 per cent is for labor and 5 per cent only for material.

The hand-made novelties are produced in foreign countries at prices that are inconceivably low. This class of work is certainly deserving of protection, as the labor employed is all high class and is mostly performed by women of education, taste, and refinement, who are vastly benefited by the employment, many of them supporting their families by this means. I ask your special consideration of this item.

I beg to call your attention to the view post cards on sale at the principal hotels and news stands of Washington. You will find there

the United States Capitol, the White House, and all the public buildings reproduced on post cards, every one of which is stamped on the back "Made in Germany." The cost of a set of plates for any one of these designs, if made in America, is $12.50. In addition to this is the cost of cardboard, ink, and labor. German manufacturers supply these cards in lots of one thousand at $9 per thousand, freight and duty paid. Even with protection we could not supply this particular card in thousand lots at that price, but with the foreign work of this kind under a fair duty the quantities of domestic cards purchased would be so large that American manufacturers would gladly print many thousands of a subject at a time, thereby being enabled to sell the cards at the same price as the foreign goods, and prices being equal, American dealers would prefer American goods.

The gainers would primarily be printers, pressmen, artists, and engravers, who would not only be benefited in a pecuniary sense, but in the matter of drawings and designs the art would be advanced, and many people with a talent in this direction would find an outlet and by practice obtain the experience. The increase and improvement in these arts during the past two or three years have been simply wonderful, and this is due almost entirely to the increased demand for this class of work.

Through the protection of post cards, calendars, and other art work, as already enumerated, the United States Government would not be a loser, for the reason that there would be more or less of this product imported, irrespective of price or cost, on account of novelty in design or unique method of reproduction and appearance. If only one-fifth of the number of cards were imported, the amount of duty collected would remain the same.

The dealer and the consumer would not be the losers for the reason that there are popular prices at which almost all of these products are sold.

The consumer pays 1 cent, two for 5 cents, 5 cents, and occasionally, for a novelty, more. These prices can not be deviated from successfully. Prices have also been established for these different cards to the retail dealer and the jobber, and the publishers will have no difficulty in supplying them at these prices and possibly for very much less, owing to the increased output reducing the cost of publication.

The only losers would be the foreign manufacturers and laborers, and possibly 25 or 50 importers of this class of goods. These men are not producers, they do not employ labor, they occupy small offices, employ two or three clerks and a few salesmen, as they have nothing to do except to sell the goods and deliver them, and very often they do not do that; they have the goods shipped direct.

It is the boast of these people that American publishers are unable to compete with their prices, and this is, unfortunately, only too true. It is a well-known fact that many foreign goods are sold in this country for very much less than the price at which they are sold where they are produced, and arrangements are now being made to very largely increase the output in America. We are also informed that the Japanese printers are contemplating large series of cards for the American market. As they pay their laborers as much in pennies as we do in dollars, the result would undoubtedly be to put us out of business or else to reduce the prices of labor in this country in order to meet competition.

It may interest you to know that there is one place in America where domestic manufacturers have protection, and this is in Canada, where these goods, if made in the United States, receive a preferential of 33⅓ per cent over German goods.

In conclusion, I beg to state that I have carefully investigated this matter and can not find any instance in which anyone in this country—consumer, dealer, laborer, or the Government itself—is benefited in the slightest by the existing low duty, nor do I find any direction in which it will work hardship to anyone but a few importers referred to above.

The above statement is respectfully submitted. If there is anything about it concerning which you desire further information, I will be pleased to supply same by mail or stand ready at any moment to go to Washington and enter into the matter in detail at your convenience. Should you wish me to appear before you again at any time, kindly give me one or two days' notice, and oblige,

Respectfully, yours,

THE ROSE COMPANY,
H. M. ROSE.

GEORGE SCHLEGEL, NEW YORK CITY, PROTESTS AGAINST ANY REDUCTION OF DUTY ON CIGAR LABELS.

138 AND 140 CENTRE STREET,
New York, December 30, 1908.

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: Being one of the largest manufacturers of cigar labels, flaps, and bands in the city, and coming constantly in competition with the German productions in this line, must firmly protest against any reduction whatsoever in duty on these goods. The prices the Germans give now in New York City are so remarkably low that any further reduction will put all the business in their hands and throw out of employment a great many skilled workmen, who would not have any other work that would pay them. Yes, put them out of business completely; have been in this business thirty years, and the prices are as close as can be made.

Yours, very truly, GEORGE SCHLEGEL.

SUPPLEMENTAL STATEMENT OF V. C. WARD, NEW YORK CITY, RELATIVE TO LITHOGRAPHIC PRINTS.

ROOM 140, NO. 280 BROADWAY,
New York City, January 2, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Prices and excellence of lithographic productions do not depend so much upon the amount of protective tariff that may be imposed upon such goods as are imported from Germany as upon climatic conditions and methods employed in the respective countries.

In the United States most of the lithographic printing works are located in cities bordering upon the ocean or the Great Lakes, at all of which places the variations in the humidity of the atmosphere are almost disastrous to the production of the very fine work that must be executed in a large number of tints, for the very easily understood reason that papers contract and expand to quite a considerable degree with the changes in the humidity of the atmosphere, which changes in such cities as New York, Boston, Buffalo, Chicago, and Milwaukee (where most of the great American lithographic plants are located) are often quite sudden and prevent the possibility of such fine duplication of the colors, especially in small pictures like scenic post cards, as is possible in such interior cities of Europe as Berlin, Leipzig, Dresden, Frankfort, etc., where they have not only a more even climate, but also secret devices for the keeping of the atmosphere in the works upon an even state of humidity.

The methods in which the American lithographers are behind in—some of them—are among the following:

In America workmen are not considered as "expert" unless they can be put to work at almost any place in the shop and at any part of the intricate details of manufacture. In Europe no workman is expected to be expert except in only one of the very many details of manufacture, and thus it is that in Europe the workman becomes especially expert in his particularly small part of the great and intricate mass of variety of the labor that is necessary to produce pretty pictures. For instance, one man will be devoted only to the preparation of the inks, another only to the making of the drawings for certain tints, others for other tints; others do only the transferring, others only the feeding of the presses, others only the adjusting of the printing stones in the presses; others never do anything but the cutting of the sheets, etc. The inevitable result of the European method is that improvements and discoveries and labor-saving appliances for the various and numerous details of the work are far more frequent among workmen who have only to devote their whole lives to perfecting one feature of the work than in America where every man is foolishly expected to be expert in too many departments.

Gentlemen, if you could give the American lithographer a better climate and could impress upon him the need for the adoption of European methods of apportioning of the labor among employees you would not need to provide any protective tariff at all.

Respectfully submitted.

V. C. WARD.

THE ULLMAN MANUFACTURING COMPANY, NEW YORK CITY, WRITES RELATIVE TO LITHOGRAPHIC AND PHOTO GELATIN PRINTS AND PICTURES.

338, 340, 342 EAST FIFTY-NINTH STREET,
New York, January 4, 1909.

Hon. SERENO E. PAYNE,
House of Representatives United States,
Washington, D. C.

DEAR SIR: We take the liberty of addressing you in reference to the tariff revision as related to pictures, post cards, and other publications.

We are American publishers, which means that we print on our premises or have printed by contract elsewhere pictures and post cards, which we sell at wholesale. The original sketches, which are oil paintings or water-color drawings, are made by American artists, and, as above stated, the work of reproduction is all done entirely in this country.

Some of our competitors have their sketches made in this country, but have the lithographic work and other printing done abroad, owing to the fact that they can be produced cheaper than in this country. We have been in this line of business for more than twenty years and have never sent any of our work to be done outside of the country, but we have now come to a point that it seems impossible to meet the prices of our competitors, owing to the fact that they can have their original sketches made in this country, so as to get the American style for the post cards or pictures, but can have the mechanical work, which means lithographing and printing, done abroad at a price very much cheaper than we can have the same done here. All of this could be obviated if a reasonable duty were levied on the imported article.

At the present time the duty on lithographed pictures ranges from 5 to 20 cents per pound, and the majority of these goods passes through the customs-house at the rate of 5 cents per pound. The duty should certainly be ad valorem, because at the present rate a picture or post card of the finest quality pays no more duty than a cheaper article.

Pictures which are not made lithographic, but which are printed in the photo-gelatin process, now pay a duty of 25 per cent, which is entirely inadequate and is absolutely no protection to the American publishers and printers in this line.

The rate of wages in Germany and other foreign countries on lithographic work and other process is about one-third of the rate of wages in this country. Statistics in regard to this matter have been furnished to the Committee on Ways and Means, but briefly stated, they are about as above.

Some years ago our Congress passed an international copyright law, and in its wisdom inserted a clause making it obligatory on the part of an owner of a copyright to print his pictures within the limits of the United States, or from plates or drawings on stone made within the limits of the United States. This was an excellent provision for the protection of American mechanics in this line, but, unfortunately, the law has been evaded by certain publishers who secure a copyright on their original oil paintings or photographs and then send the same to Europe to be reproduced. The pictures are then marked, "From copyrighted painting," with the name of the publisher and the date, so as to protect the copyright, and thousands of these pictures have passed through the custom-house each year in this manner, so that the very aim of the law has been defeated.

We do not know whether this matter comes within the scope for the Ways and Means Committee, but if it does, something should be done to prevent the continuance of this subterfuge.

We do not desire to take up any more of your time in this connection, and in closing simply state that conditions are such that the

American publishers and printers will eventually be forced out of their own market by the competition of European publishers and printers, unless a reasonable duty shall be imposed upon these goods.

We think that a duty of not less than 60 per cent on all pictures printed by the lithographic, photo-gelatin, and other process, and the same duty on post cards would be a fair and reasonable levy, taking into consideration the cost of labor and raw material.

Thanking you very much for your attention to this matter, and hoping that you will use your influence in our behalf, we remain,

Very truly, yours,

THE ULLMAN MFG. CO.,
L. J. ULLMAN, *Treas.*,
Art Publishers.

HON. A. F. DAWSON, M. C., FILES LETTER OF THE ECONOMY ADVERTISING CO., OF IOWA CITY, IOWA, RELATIVE TO DUTIES ON LITHOGRAPHIC PRINTS.

IOWA CITY, IOWA, *January 5, 1909.*

Hon. A. F. DAWSON,
Washington, D. C.

DEAR MR. DAWSON: We understand that a movement has been started to increase the duty on manufactured paper goods from 35 to 75 per cent, and I need not say to you that this would be very injurious to the small manufacturing business that I try to manage in Iowa, as well as several other institutions of like character throughout the country. You will remember that when the present duty of 35 per cent was levied on this class of goods the lithographing industry in this country was comparatively weak, and from my own experience will say that if our American lithographers were able to produce the same class of goods in this country that we buy in Europe that they would have the trade, but they are unable to do so, and it now seems to be their purpose to bar the importation of the class of goods that they can not manufacture, and for which there is a very heavy demand in this country, by exorbitant tariff.

I feel at perfect liberty to write you on this subject in the belief that your entire efforts will be directed toward any injustice in the matter of tariff revision, as this action surely would be.

Very respectfully, yours,

THE ECONOMY ADVERTISING CO.,
S. W. MERCER, *President*,
Advertising Novelties and Bank Supplies.

SUPPLEMENTAL STATEMENTS OF LOUIS C. WAGNER & CO., NEW YORK CITY, RELATIVE TO CIGAR LABELS AND BANDS.

NEW YORK, *January 7, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Many statements submitted to your committee since November 21 bearing on cigar labels and bands are so misleading

and untruthful that we beg to be permitted to reply to them and place said matters properly before you.

The Forbes Company makes an issue of small size labels and what the duty thereon would be, etc., which matter has absolutely no bearing on cigar labels; the sizes of them, without exception, are altogether much greater, the design itself covering about one-half of the label while the other half is simply blank paper.

We are quite sure that the Forbes Company have at no time during their long existence ever produced cigar labels, much less bands, and if this is so, how can they be capable of suggesting any proper rates of duty on them? Their other statements are unworthy of reply.

The statement of imports for the fiscal year ending June 30, 1907, as reaching the sum of $337,016, may be correct and simply proves that it is not a large amount anyway when compared with the output of these goods in domestic work, and while it is not possible for anyone to give exact figures, it is safe to say that it is at least 90 per cent greater, and this divided by not more than one dozen firms in New York City.

The assertion is made as showing statistics of the custom-house at New York, that for the fiscal year ending June 30, 1907, the highest ad valorem equivalent on any imports of cigar labels and bands was only 46.67 per cent, and that exactly $12 worth of goods was imported at this high percentage. In answer, we assert positively that the statistics (while we do not have them) can absolutely not show this to be so, and that the statement is made with the prime object of deceiving your committee. For this very period we have carefully gone over our imports alone and here are the amounts with their ad valorem equivalents, which can be substantiated by our invoices and books:

	Total imports.	Weight.	Duty thereon.	Ad valorem equivalent.
		Pounds.		*Per cent.*
Cigar bands in bronze, at 20 cents per pound	$23,486	27,335	$5,467	23.28
Cigar bands in metal leaf, at 50 cents per pound	45,610	80,432	15,216	33.36
Cigar labels printed in less than 8 colors, at 20 cents per pound	18,158	11,433	9,322	51.34
Cigar labels printed in more than 8 colors, at 30 cents per pound	10,649	18,254	5,476	51.42
Cigar labels printed in metal leaf, at 50 cents per pound	8,736	14,235	7,117	81.47

As we purchase our goods outright and pay cash for them, the insulting accusation that our invoice values are erroneous is a malignant falsehood on the part of the National Association of Employing Lithographers.

To all other statements, beginning "A set of labels costs about 4½ cents a box, and sometimes more," we assert again that this is absolutely correct for imported goods, and that it is only 2 cents per box, applies only to domestic goods. Even the cheapest imported labels with trimmings costs over 3 cents per box, and the finer grades up to 7 cents.

As we handle only cigar labels and bands, and have done so since 1887, and bands always having been one essential part of our business, the statement that there were practically none imported prior to 1894, or even 1897, is conclusively false.

The domestic lithographers then follow with the assertion that the average cost of bands to the cigar manufacturer is 3 cents for each box of 100 cigars, which is true for domestic work, but not so for the foreign. The lowest selling price for large quantities for German work is from 3½ to 4 cents for bronze printing and double for metal-leaf work. Under their proposed rates for bronze bands only, now at 20 cents per pound, they jump this rate to 70 cents, which means a duty alone of 22 cents per 1,000. Add to this the foreign cost, which, at lowest price, including import expenses, is 24 cents, makes the total cost 46 cents, and yet they say in their own statement, that they sell them, including their profit, to the cigar manufacturers at an average price of 30 cents per 1,000.

That our brief was drawn up by two firms of attorneys who have absolutely no knowledge, etc., is too silly for further comment; of course it was submitted by them as compiled by us.

We find nothing misleading in our statement that the American cigar labels are invading the foreign markets, nor did we say to what extent. That was merely a reply to their original assertion that they sold absolutely none abroad. Now, they say the amounts are very small. We still seriously question the accuracy of their figures of exports, as we are in possession of a letter from our factory in Germany saying that agencies are established in Hamburg, Bremen, and Westfalen, besides Holland and England, for the sale of American labels and that the exports to Germany alone reach an enormous amount because of the very small duty, almost too insignificant to name, and also because they are sold in that market at prices at least 25 per cent less than the German goods. We have written our factory to procure statistics of imports into Germany and if they can be obtained will take liberty in submitting them later.

After having submitted our first brief November 21, 1908, to the manufacturers abroad they have corrected us in one particular, and are ready to swear to the accuracy of the correction, that a day's run in Germany averages 3,000 sheets, only one or two firms being capable of running 3,500, which is the highest run in any event. As the Forbes Company, in their later brief December 16, do not deny, nor has it been denied by others since then, that a day's run in America is at least 6,000 sheets, the American lithographers have the advantage over the foreigners in printing alone by fully 100 per cent.

Without going into further detail, we submit a summary of our contention on separate sheets herewith.

Respectfully,

LOUIS C. WAGNER & Co.

NEW YORK, *January 7, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: As a summary to our previous briefs and additional statements on separate sheets herewith, we, on behalf of the few importing firms of cigar labels and bands, respectfully submit the following:

Although the National Association of Employing Lithographers claims to represent 350 factories, there are not more than one dozen

producing cigar labels or bands, and those, with one or two exceptions, are located in New York City. Among this dozen we question whether there are more than two or three firms who advocate a change in duties, much less would think of higher rates.

The really principal firm advocating the exclusive rates on labels and bands, not directly but through the National Association, is the American Lithographic Company, New York. This company is and has always been known throughout the United States, not only by their competitors but among the cigar manufacturers and cigar box makers, as "the trust," and any increased rates would mainly be of benefit to this company and not to the lithographic trade in general.

While the small importation of these goods is confined to four or five firms, fully 90 per cent of the product is almost exclusively made in New York City.

The national association comes to your committee with a general statement asking for higher duties, with nothing specific to substantiate their claim, showing not one specimen of a label or band of German make or what it is sold at and what their relative selling price would be for a similar article produced here, but simply relying upon one thing, the difference in scale of wages, which has already been pointed out by others as incorrect. On the other hand, we beg to refer to our testimony before your committee November 21, 1908, and the various samples then submitted, showing that their cost in Germany is practically the same and in some instances even higher than the same designs and workmanship are produced in New York and sold by the domestic lithographer. These figures have since then not been refuted, nor can they be, so it is self-evident that even without any duty at all, larger editions can not be imported anyway. And what applies to these particular designs applies to all others under similar conditions and quantities.

The unfortunate part of it is we have absolutely no protection on our designs. Each and every one can be copied here, and it is done to a great extent, for sole reasons given in our testimony November 21, 1908.

Apart from the stupendous rates, the national association or, properly said, the American Lithographic Company, goes even further and suggests another 10 cents a pound for embossed designs. They might properly have added this 10 cents originally to their other rates, as all bands, without exception, and 95 per cent of all imported labels and flaps are embossed.

We are not at all interested in lithographic prints on which the present duties are an ad valorem equivalent of from 20 to 27 per cent, while on our imports, labels and bands, and more especially labels, it is double and treble.

In our separate testimony added to this we have compiled the total imports of our firm alone from June 30, 1906, to June 30, 1907, showing their ad valorem equivalents which, on all grades of labels are now so excessively high that only small amounts can be imported and the major part of these represents first editions. The lowest rate is on bronze bands and we particularly refer to this. As shown in our statement annexed, and admitted by the domestic lithographers, they sell these very bands to the cigar manufacturers at 30 cents per 1,000, which is the lowest cost of German goods, including present duty.

Although both lithographic prints and labels are produced by the same process yet there is this vast difference in rates of duty. For the information of your committee we will state how they came about originally in the Wilson bill. The statement of E. P. Dutton & Co., book 43, page 6301, reports that the rates were agreed upon at a meeting between the importers and domestic manufacturers at the instigation of Chairman Jones; true, and just at this particular conference cigar labels and bands were, for the first time, taken out of the lithographic schedule and provided for separately at higher rates. Mr. Louis C. Wagner then, as now, was an importer of labels and bands, but was in Europe at that time. He now makes the positive assertion that his representative was not permitted to attend that meeting; that no other firm importing labels did appear excepting one, large importers of lithographic prints, and who, at that time, also imported cigar labels, but evidently found this line not profitable, so sold their entire stock soon after the Wilson bill became a law to the American Lithographic Company. They, the American Lithographic Company, at that time were mainly instrumental in framing the schedule, and to enable them to get the importers of prints to agree to high rates on labels, compromised by accepting lower rates on prints. And this very firm comes along again now and asks for still more.

We believe the time has come when the duties on our goods should be in conformity with those of similar manufacture by reducing them, especially the 20 cent, 30 cent, and 50 cent rates on labels.

Since we have clearly shown in our first brief and in this summary that domestic goods are made and sold to the trade at a profit as low and in some instances lower than the cost in Germany, excluding any duty, we respectfully ask your committee that the rates suggested by us November 21, 1908, be adopted. They were made with all fairness and with more than ample protection to domestic industry, and would enable us to redeem the repeat orders which rightfully belong to us and increase the revenue to the Government.

Respectfully,

LOUIS C. WAGNER & CO.

HON. JOSEPH V. GRAFF, M. C., SUBMITS LETTER OF C. E. WHEELOCK & CO., PEORIA, ILL., RELATIVE TO INCREASING DUTY ON LITHOGRAPHIC PRINTS.

WASHINGTON, D. C., *January 9, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR MR. PAYNE: Inclosed please find a letter from C. E. Wheelock & Co., of Peoria, Ill., who is a large importer of china and, it seems, also of souvenir or view postal cards, who are opposed to a raising of the duty from 5 to 35 cents per pound, claiming that will exclude all importations and cut off revenue to the Government. I submit the letter for the consideration of the committee.

Respectfully,

JOSEPH V. GRAFF.

PEORIA, ILL., *January 7, 1909.*

Hon. JOS. V. GRAFF,
Washington, D. C.

DEAR SIR: It is reported that an effort is being made before the committee having in charge the new tariff schedules, by American lithographers and manufacturers of souvenir or view postal cards, to increase the present rate of duty from 5 cents per pound to 35 cents per pound.

As you are probably aware, we are large importers of German souvenir postal cards and during the past year have brought in many millions at a duty of 5 cents per pound. American manufacturers are already offering very sharp competition. As a matter of fact, American manufacturers quote practically the same prices on similar cards as the European cards now cost delivered in America after having paid the duty and transportation charges. To advance the duty from 5 to 35 cents, however, would be equal to an ad valorem duty of from 100 to 150 per cent and would make imported souvenir or view postal cards cost practically twice what they cost now. This, of course, would shut out entirely imported cards and, naturally, destroy business which we have built up with considerable effort and expense and which now is of great importance to us. Not only would this destroy this business for us, but, of course, it would just this much reduce the imports at the local port. Considering the amount of business we have done on imported postal cards during the past year, the difference of a duty from 5 to 35 cents per pound would make a difference to us of between $15,000 and $20,000; but, we repeat, the new proposed duty would prohibit the importation of foreign cards.

If it is practical for you to do so, and should you have an opportunity, we should indeed consider it a favor if you would take this matter up with the committee having the matter under consideration, and we desire most earnestly that you should make an earnest protest on part of one of your constituents against such an unusual and prohibitive duty being added on postal cards. If you can put us in touch with those in authority, we should be glad to have you do so so that we ourselves could write a letter of protest against the duty which we understand is proposed.

We should also deem it a favor if you could advise us what the prospects are of such a new duty going into effect.

Yours, truly,

C. E. WHEELOCK & Co.,
By J. H. ROTH.

REPRESENTATIVES OF EMPLOYING LITHOGRAPHERS FILE SUPPLEMENTAL STATEMENT RELATIVE TO FOREIGN WAGES IN THE LITHOGRAPHIC INDUSTRY.

52 EAST NINETEENTH STREET,
New York, January 12, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In the tariff hearings of November 21, you asked us to procure statistics on wage scale. We complied with same by furnish-

ing you some signed letters giving the German scale. We have also sent you the official copy of the minimum rates paid by American manufacturers.

We now desire to file with your committee copies of a German publication, called "Freie Kunste," which publication is published in Leipzig and Vienna, and is a recognized organ of the lithographic industry in both the German and Austrian Empires.

The copies of this paper that we file with the committee are the issues of the following dates: March 15, 1906; March 1 and October 15, 1907.

We have made translations of these articles. From the translation of issue of March 15, 1906, it appears that the employers proposed a minimum wage of 16½ marks per week for the first year of service as a journeyman, and after that the wage to be 18 marks per week, while the workmen demanded 21 marks to 25 marks, respectively.

In the translation from the issue of March 1, 1907, it is shown that the employers and the workmen agreed upon a minimum scale of 18 marks per week in 23 cities, 18½ marks per week in 2 cities, 19 marks per week in 9 cities, 19½ marks per week in 1 city, and 21 marks per week in 1 city.

The translation from the issue of October 15, 1907, shows that in the city of Leipzig the wage of artists fluctuated from 28 marks 16 pfennig to 37 marks 37 pfennig.

Should it be contended that the above scale of journeymen's wage is only for the first year, you, by referring to the translation of issue of March 15, 1906, will see that all the workmen demanded as a journeyman's wage after the first year was an increase of 4 marks per week.

As this information is from labor-union sources and is addressed to the union men, it may be taken as being absolutely correct and fully bears out the contention contained in our brief, that the wages in Germany are from one-fourth to one-fifth of the wages paid in this country.

Respectfully, yours,

ROBERT M. DONALDSON,
HORACE REED,
GEORGE R. MEYERCORD, *Chairman*,
Tariff Committee, National Association of Employing Lithographers.
By ROBERT M. DONALDSON.

EXHIBIT A.

[Translation, Book 5, page 77.]

MARCH 1, 1907.

The board of directors of the Senefelder Union report that during the lockout from May to August, 1906, and the preceding strike, 1,424 litho artists and 2,624 pressmen were on strike. The strike extended to 38 cities, and 271 firms were concerned therein.

After an agreement with the Association of Manufacturing Lithographers to resume work, the result was as follows:

Three hundred and fifty-three lithographic artists and 362 lithographic pressmen gained a reduction in time of from one and one-

half to nine hours per week. Litho artists to work eight hours per day; litho pressmen to work nine hours per day.

One hundred and twenty lithographic artists and 80 litho pressmen received concessions for holiday pay, which formerly was not allowed them.

Two hundred and ninety-eight litho artists and 405 litho pressmen were conceded 25 per cent additional for overtime during week days, and 50 per cent additional for Sunday overtime.

Two hundred and thirty-eight litho artists and 927 litho pressmen received an increase in wages from ½ to 5 marks per week, a total of 1,676 marks per week. Minimum wages during the first year as journeymen was agreed upon to be 18 marks per week in 23 cities; in 2 cities, 18½ marks per week; in 9 cities, 19 marks per week, and in 2 cities, 19½ and 21 marks per week, respectively.

EXHIBIT B.

[Translation, Book 6, page 100.]

LEIPZIG, *March 15, 1906.*

The agreement conference of the lithographic and stone-printing trades began on the 25th day of February, in the city of Leipzig. The sessions were held in the Booktrades Building. The parties participating were composed of nine employers and nine employees and the same number of alternates. There were also present two representatives of the Proprietors' Association of German Stone-Printing Establishments, and two representatives of the Senefelder Association.

Previous to the regular proceedings, those present adopted a unanimous resolution against the contemplated tax on postal-card views.

The first question to be considered was concerning working hours and minimum wages. The employers proposed nine hours per day for lithographic artists and nine and one-half hours for pressmen be adopted. The employees, in opposition, proposed eight hours per day for lithographic artists and nine hours per day for pressmen.

The employers proposed a minimum wage of 16½ marks per week for the first year of service as a journeyman, and after that to be 18 marks per week. The employees demanded 21 marks and 25 marks, respectively. The vote on this question being a tie, it was laid over for a second reading.

The second day of the session Doctor Viscot, of Breslau, made the following proposition in behalf of the employers: In an agreement of at least five years, the working hours of lithographic artists and pressmen were to be nine hours per day, and from July 1, 1908, the hours for lithographic artists were to be eight hours; however, where the work hours at the present time are less they shall so be continued.

The counter proposition of the employees was as follows: In an agreement, at the most to continue three years, the working hours for lithographic artists are to be eight hours per day and nine hours for pressmen. Where more hours constitute a day's work for lithographic artists at the present time, the eight-hour time must be introduced by January 1, 1907; but where shorter hours constitute a day's work at present no changes are to be made.

The vote upon these questions being also a tie, or a nonacceptance of any of the propositions, the conference was declared off.

Alderman Ackerman succeeded in having another conference take place, which assembled February 27, but after exhaustive debate nothing was agreed upon.

The employers insisting on a five years' agreement, while the employees would only accede to a three years' agreement, the employers made the following counter proposition as to the question of working hours, viz: In shops where nine and eight and one-half hours constitute a day's work hours of work are to be reduced to eight hours at once. Where more than eight and one-half hours are in vogue hours are to be reduced to eight and one-half hours per day, and after July 1, 1907, to eight hours per day. This proposition also did not meet with approval, and the conference was therefore discontinued.

The lack of results of the first conference in our art crafts is to be deplored, especially at present, when the new tax creates an element of apprehension and insecurity throughout the lithographic trades and the larger enterprises; an agreement would have been of the greatest importance.

EXHIBIT C.

[Translation, Book 20, page 321.]

LEIPZIG, *October 15, 1907.*

The organized Lithographic Artist Journeymen of Leipzig have compiled statistics of their wages, working hours, and other trade conditions and published the result. The statistics relate to 63 establishments, employing 603 journeymen artists and 132 apprentices. The average of apprentices, accordingly, would be about 1 to each 4 journeymen artists.

In private lithographic establishments comparatively many apprentices are employed; in one of these establishments there are 27 apprentices to 52 journeymen artists. In individual branches of lithography the wages fluctuated between 29 marks 16 pfennig, and 37 marks 37 pfennig.

The hours of work were generally eight hours, but were nine hours in some few establishments. Holidays are not paid by 11 employers, who employ 127 journeymen.

Three firms, employing 37 journeymen artists, refused information to be used for statistical purposes.

The average wages for map engravers is from 22 marks 84 pfennig to 38 marks 19 pfennig.

WALL PAPER.

[Paragraph 402.]

STATEMENT OF JOHN J. LINDSAY, OF BUFFALO, N. Y., WHO SUGGESTS A NEW CLASSIFICATION FOR WALL PAPER.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. Mr. Lindsay, what paragraph does your industry come under?

Mr. LINDSAY. Wall paper, paragraph 402.

The first two lines and a half in that paragraph must have been written in the last century, because the manufacturers have not made

that class of paper there mentioned. Our brief has been submitted, and if those two lines and a half are changed so as to read—

Paper hangings, or wall paper, including borders and ceiling decorations, and all wall hangings of which paper is the basis, or the material treated, embellished, or decorated, and not specially provided for in this act, thirty-five per centum ad valorem.

if that is done the industry can go ahead.

Mr. BONYNGE. You say "of which paper is a component part?"

Mr. LINDSAY. Yes, sir.

Mr. BONYNGE. In manufacturing the paper would you not want to say "of which paper is the chief part," or something of that kind?

Mr. LINDSAY. No; we say "of which paper is a component part." If you will read that paragraph, you will see that it does not define it sufficiently, and that it ought to be changed. We do not want to infringe on the wall hangings of any other material.

In the last five or six years the goods coming into this market have increased about 230 per cent, and in the last year over 30 per cent. And we might have something to say about this German tariff or undervaluation, which the German arrangement allows.

The CHAIRMAN. Mr. Lindsay, suppose the language of paragraph 402 was changed to read in this way: "Paper hangings fully or in chief value of paper, and all paper not combined with other material, and not specially provided for in this act?"

Mr. LINDSAY. Well, that would be satisfactory; yes.

The CHAIRMAN. That has been prepared for the committee with reference to the decisions of the courts, and in order to make the paragraph clear.

Mr. LINDSAY. Mr. Payne, the wall-paper business is a business that beautifies paper, and it becomes an artistic matter. What we want is to protect the printing or the embellishment of that paper.

Mr. DALZELL. Will you please repeat your suggested paragraph?

Mr. LINDSAY. Our suggestion is that it be "Paper hangings, wall paper, including borders and ceiling decorations, and all wall hangings of which paper is a component part."

The CHAIRMAN. That would not do, because if it had a small part of paper in it, it could come in with a duty of 25 per cent, which would include other things that ought to be paying other duties. The paragraph that I read says, "Fully or in chief value of paper."

Mr. LINDSAY. But, Mr. Chairman, they would put anything in cheaper than paper.

The CHAIRMAN. Yes; that is the very difficulty of your suggestion. If they put in the chief material of which paper is a component part, and which might be a pound, or a hundred pounds, it would let it in for 25 per cent, if it was a wall hanging.

Mr. BONYNGE. Some of the embellishments may be worth more than the paper.

Mr. LINDSAY. The paper is worth very little, and it is the embellishment that we want to protect.

The CHAIRMAN. You may go ahead with your statement. We will furnish you a copy of this amendment, you can look it over, and if you want to make any comments on it later, then return it to us with such comments.

Mr. LINDSAY. The foreign market is interfering with us, and the 25 per cent is not sufficient. That last part of the two lines and a half of paragraph 402 should read 35 per cent instead of 25 per cent.

Mr. Chairman, that is all we have to say. It is an industry that ought to be protected. Our labor is three to four times more than it is in the other markets. Our men get $25 a week, and they get from $6 to $9 over there, according to their ability. The ocean freights are low. Under the German tariff arrangement there is undervaluation. There are two hotels in San Francisco on which floss paper was put, made in Germany. We competed for that order and could not get it. We understand that it came in here under the new German law at 10 per cent duty—not 25 per cent, but 10 per cent—because it was made specially for the American market. And that is the point about it. And it did not pass through any dealer's hands; it went from the manufacturer to those hotels in San Francisco—two leading hotels.

Mr. BONYNGE. You export some paper for paper hanging, do you not?

Mr. LINDSAY. Yes, sir; the goods that came into this country four years ago amounted to about $200,000. To-day it is nearly $700,000.

Mr. BONYNGE. Those are the importations?

Mr. LINDSAY. Yes, sir.

Mr. BONYNGE. You also export, do you not?

Mr. LINDSAY. Very little; that is, the concern with which I am connected. The Government records show that there was $7,000 worth of goods put into Germany, and $5,500 was sent by our concern over there. The other manufacturers of course put in part.

Mr. BOUTELL. How many manufacturers of wall paper are there in the United States?

Mr. LINDSAY. The 1905 report of the Department of Commerce shows 44.

Mr. BOUTELL. Are they widely scattered through the various States?

Mr. LINDSAY. Yes, sir; but not farther west than Chicago.

Mr. BOUTELL. There are no wall-paper factories west of Chicago?

Mr. LINDSAY. No, sir.

Mr. BOUTELL. What is the value of the domestic output of these 44 factories?

Mr. LINDSAY. Twelve million dollars, and the capital $12,000,000 also.

Mr. BOUTELL. And the value of the annual output is $12,000,000?

Mr. LINDSAY. Yes, sir.

Mr. BOUTELL. About what is the value of the imported product for a similar period?

Mr. LINDSAY. About $700,000.

Mr. BOUTELL. As against $12,000,000?

Mr. LINDSAY. Yes; but it is on the class of goods on which there is the largest profit; that is, they put it in here, fine goods, undervalued, and that does not permit the American manufacturers sufficient profit, and the tariff should be put up to prevent those goods coming into this market.

Mr. BOUTELL. The method of handling your product is the same by all of the 44 factories—the method of marketing it?

Mr. LINDSAY. Yes, sir.

Mr. BOUTELL. That is, the factories sell to the jobber?

Mr. LINDSAY. Part only. There are several factories who sell direct to the trade.

Mr. BOUTELL. Direct to the retailer?

Mr. LINDSAY. To the dealers in the different cities. There are several factories that way.

Mr. BOUTELL. Of those 44 factories is there an association or combination among any part or all of them for the purpose of dividing territory?

Mr. LINDSAY. No, sir.

Mr. BOUTELL. Or fixing the price?

Mr. LINDSAY. No, sir.

Mr. BOUTELL. The retail dealer or the jobber has the benefit of perfect, free, and full competition?

Mr. LINDSAY. Yes, sir.

Mr. BOUTELL. That is true throughout the entire wall-paper trade?

Mr. LINDSAY. Yes, sir. There was a company in operation up to 1900, and dissolved at that time and went into liquidation. No trust will stand free competition.

Mr. CLARK. How long have you been in this business, Mr. Lindsay?

Mr. LINDSAY. I have been in this business since 1870.

Mr. CLARK. Have you been losing money since 1870?

Mr. LINDSAY. No, sir.

Mr. CLARK. How long have you been losing money?

Mr. LINDSAY. We lost money a great number of years. We lost it very badly for two or three years after our company dissolved. There was not any money made in the business.

Mr. CLARK. That was after the trust dissolved?

Mr. LINDSAY. Yes, sir.

Mr. CLARK. When did that important event happen?

Mr. LINDSAY. In 1900. From 1900 to 1903 20 or 30 factories failed.

Mr. CLARK. Well, from 1903 to 1907 you all made money hand over fist, did you not?

Mr. LINDSAY. No, sir; the Government does not make a statement of that kind.

Mr. CLARK. I am not asking about the Government's statement, but I am asking you for the facts.

Mr. LINDSAY. The facts are that we all made a report—the 44 concerns—in 1905 to your department of—whatever you call it——

Mr. CLARK. Well, I don't know, but what did you state in the report about how much money you made?

Mr. LINDSAY. We made 10 per cent on our $12,000,000.

Mr. CLARK. That is a very fair profit, is it not?

Mr. LINDSAY. There are concerns represented here that have a half million dollars in business that spend $50,000 on designs and blocks and rollers.

Mr. CLARK. I am not asking you as to that, but I am asking you if a 10 per cent dividend is not a pleasant and comfortable profit?

Mr. LINDSAY. No, sir; you could not run the wall-paper business on that.

Mr. CLARK. Do you think that the average man in the United States who is engaged in business makes 10 per cent dividend?

Mr. LINDSAY. I rather think they do.

Mr. CLARK. And you want some more?

Mr. LINDSAY. We want more; yes, sir.

Mr. BOUTELL. Don't you think that the proportion of $700,000 imports to $12,000,000 of domestic production is a pretty good protection already?

Mr. LINDSAY. I want to say that to come up from $200,000 to $700,000 in three or four years shows that this market is being invaded.

Mr. BOUTELL. But 6 per cent is not a very heavy invasion, is it?

Mr. LINDSAY. I understand the proportion; I was prepared for that. It has increased 31 per cent in the last year.

Mr. BOUTELL. I understand those things, too, but it still remains that it is only 6 per cent of the domestic output.

Mr. LINDSAY. But on the class of goods upon which the largest gain is.

Mr. CLARK. You would really like to have a prohibitory tariff, wouldn't you, to be perfectly frank about it? You would like to have a law passed that wall paper should not come into the United States at all, and that is what you are fishing for, isn't it?

Mr. LINDSAY. No, sir.

Mr. CLARK. You want a tariff to do just what that law would do, don't you?

Mr. LINDSAY. We want a better figure than we have now.

Mr. CLARK. You want a prohibitive tariff?

Mr. LINDSAY. Not at all, sir.

Mr. CLARK. Well, now, if the tariff does not prohibit imports, what do you want with it? If the tariff that you are proposing does not act so as to cut out foreign importations, then what do you want with it?

Mr. LINDSAY. We want it so that the class of goods—those of finer grade—we want it so that the American market will recognize the artistic merit of the American designer and artist.

Mr. CLARK. I am not asking that, and that is what you are all trying to get back to. What you really want is a tariff so high that the foreigner can not bring in his goods at all?

Mr. LINDSAY. I think that any good American would put on American wall paper. I think that if I was an architect I would put a clause in the specifications calling for that.

Mr. CLARK. But that does not answer my question.

Mr. LINDSAY. I am a good American citizen.

Mr. CLARK. Well, so am I.

Mr. LINDSAY. And I want this business protected. We can make just as good goods as they can on the other side.

Mr. CLARK. But that is not an answer to my question. You want a prohibitive tariff?

Mr. LINDSAY. No, sir; but we want a higher tariff than we have now.

Mr. CLARK. If this tariff that you are asking for would not shut out those very small importations of 6 per cent, then what do you want it for?

Mr. LINDSAY. We want to stop it from growing; we want to stop it from coming.

Mr. BOUTELL. Isn't it a fact that even if you very largely increase the tariff, that there still would be practically 6 per cent of foreign import, 6 per cent of the total used here, on account of the different designs and different materials, the same as is true in the silk market?

Mr. LINDSAY. Yes.

Mr. BOUTELL. And you hope by increasing the tariff to have less than 6 per cent competition?

Mr. LINDSAY. No; we do not want to, for there is a certain class of people who will buy the English and French automobiles and other expensive things because they are foreign, and we can not shut that out; but we want them to buy and to pay a good price for it.

Mr. BOUTELL. So they will buy the foreign wall paper of silk finish, and manufactured under the various foreign patents, no matter what the tariff is?

Mr. LINDSAY. Yes, sir.

Mr. HILL. Has there been any increase in shipments during the past twelve months ending in October?

Mr. LINDSAY. Yes; we feel the competition greater this year than before, and paper is being distributed as low as 2½ cents per roll.

BRIEF SUBMITTED BY JOHN J. LINDSAY, BUFFALO, N. Y., RELATIVE TO WALL PAPER RATES AND CLASSIFICATION.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The wall-paper manufacturers, whose signatures are hereto affixed, respectfully ask your consideration of the effect produced upon the wall-paper industry by the rapidly increasing importations of wall papers, due to the low rate of duty applying to same, under the present tariff, according to Schedule M, paragraph 402, law of 1897, wherein the duty is placed at 25 per cent ad valorem, and hope that our arguments will justify you in recommending a material increase in the rate of duty, in order that the manufacturer may be afforded at least some relief from the present discouraging conditions.

It might be well to observe in the first place that the wall-paper industry has never heretofore requested any protection against importations of foreign wall papers, and that the conditions which compel it to do so at the present time are the result mainly of the enormous increased cost of manufacture, caused by the peculiar contracts with labor unions into which the manufacturer has been obliged to enter, and which provide for the continuous employment of the operatives, whether the plant is running or not.

In the face of these discouraging conditions we understand that under the reciprocity agreement with Germany a minimum rate of duty has been placed on importations of wall paper from that country of less than 25 per cent, operating directly in favor of the German manufacturer to the detriment of the American manufacturer, inasmuch as the export from the United States to Germany for the fiscal year ending June 30, 1907, amounted to only $7,564, while the importations of wall paper from that country amounted to several hundred thousand dollars.

Another unfavorable condition affecting the industry in this country is due to the fact that many of the raw materials, as far as the manufacture of wall paper is concerned, bear a higher rate of duty than the finished wall paper, of which the said raw material forms the principal item of cost, and as a glaring example of such inconsistencies we refer to the silk floss papers, the duty on the silk floss

used in the manufacture of same being 50 per cent, while the duty on the finished wall paper is only 25 per cent.

Again, there are imitation leather papers, in which the main cost is that of the varnish, on which the duty is over 100 per cent, while the duty on the finished wall paper is only 25 per cent. There are, of course, many minor items which figure as raw materials in the manufacture of wall paper on which the duty ranges from 35 per cent upward, while, as already stated, the duty on the wall paper itself is only 25 per cent.

We appreciate the fact that these so-called raw materials, as far as wall paper is concerned, are finished productions in themselves, and that it might work an injustice to other industries in this country to have the duty on such materials reduced, and because of these facts we ask for an increased duty on foreign wall papers.

To demonstrate that the facts are not exaggerated, we submit tabulated returns of the Bureau of Statistics of the Department of Commerce and Labor, Washington, showing that the imports of paper hangings for domestic consumption for the five years ending June 30, 1907, have been as follows:

1903	$287,154.42
1904	291,114.00
1905	361,929.88
1906	456,898.00
1907	671,904.00

The returns for the year ending June 30, 1908, are not at hand, but would no doubt show a considerable increase over 1907.

The burdens imposed on the manufacturer by labor conditions in this country make it impossible for him to compete with foreign countries in the markets of these countries, as is demonstrated by the fact that for the year ending June 30, 1907, we exported to all of the countries of Europe, including the United Kingdom, but $46,921 in value of American wall papers, while, as already shown, we imported from these countries during the same period goods to the value of $671,904, and being unable, because of labor conditions in this country, to compete successfully with the foreign business, we contend that we should at least be given the fullest opportunity of holding the American business for American manufacturers by protection in the way of increased duties.

In addition to the advantages under which the foreign manufacturer is operating, due to a much lower wage scale, is the fact that the word "foreign" has in the minds of most dealers and consumers a significance which is given a money value. In other words, the imported article, even if it is inferior in many respects, will bring a better price than the domestic article, for the simple reason that it is "imported." Accordingly, for the same grade of papers, a price several cents per roll less must be given by the American manufacturer in order to meet this competition.

Another point demands attention: Foreign competition is against the better ends of the domestic lines of wall paper, where the margin of profit should reasonably be the best. Assuming that the money value of the total domestic production of wall paper of all grades is $12,000,000, annually, which is not far from the truth, it is safe to say that not over 25 per cent is of the higher grades.

Local conditions of demand and supply have so reduced the selling price of these cheaper grades, or blanks, that the present margin of profit is reduced almost to a vanishing point. The only possible escape from a net loss in making this grade of papers is by a maximum of production. For the financial balancing of the business, therefore, dependence must be placed on the sale of the higher grades of papers, on which, as has been stated, there should be a fair margin. If foreign competition were restricted, this might be an encouraging possibility. Twenty-five per cent of the value of the annual output of the American factories above referred to is $3,000,000. This amount then represents the volume of domestic products which is in immediate competition with the, say $875,000 of imports for the past year. In other words, foreign competitors are selling in this country at the present over 25 per cent as much wall paper of the better and most desirable grades as is placed on our market by all the American manufacturers each year, and, as has been indicated, this is done at the expense of the domestic producer, who finds the reasonable margin of profit of this class of papers, which is absolutely necessary for his prosperity, to a great extent eliminated. Foreign competition, then, strikes the American manufacturer at a point where otherwise he could reasonably hope to make good in a measure for the narrower margins of profit at present realized for the cheaper grades of papers, which, in every instance, make up the bulk of the output of all the factories.

Attention is also directed toward the present regulations in respect to determining whether or not importations of wall paper are undervalued.

A committee of manufacturers offered to act in an advisory capacity to the appraiser at New York, with the view to ascertaining whether goods were entered in the custom-house at less than their actual value at the place of manufacture, but were informed by the appraiser that only importers were eligible to act as his advisers.

Now, we contend that such a regulation is inconsistent, and that wall-paper manufacturers as well should be afforded the fullest possible information in order to correct any evils which may at present exist.

That the wall-paper industry is not in a condition to bear any great strain because of excessive foreign competition is evidenced by the fact that the bankruptcy of wall-paper manufacturers is frequent. During the past eight years the following factories have been discontinued for this reason: Gossler & Wilt, Philadelphia; Wagner, Wagner & Co., Philadelphia; Philadelphia Wall Paper Mills, Philadelphia; Johnstown Wall Paper Mills, Johnstown; Corey-Heller Company, Newark; Essex Wall Paper Mills, Newark; Steubenville Wall Paper Company, Steubenville, Ohio; Western Wall Paper Mills, Superior, Wis.; Conowingo Wall Paper Company, Baltimore; Hoefer, Meinken & Baeck, Nepera Park, N. Y.; Illinois Wall Paper Company, Chicago; George Halbert, Brooklyn, N. Y.; Ithaca Wall Paper Mills, Ithaca; Lakeside Wall Paper Company, Chicago, Ill.; Middletown Wall Paper Company, Middletown, Mass.; Syracuse Paper and Pulp Company, Syracuse; while other factories, viz, Cresswell & Washburn, Philadelphia; Williamson Wall Paper Company, Long Island City; Tarrytown Wall Paper Mills, Tarrytown,

N. Y., have discontinued because of the lack of profit attending their operations; while several other factories of large caliber, such as Allen Higgins Company, Worcester, Mass., and William Campbell Wall Paper Company, Hoboken, N. J., were compelled to reorganize for the same reason.

Respectfully submitted. JOHN J. LINDSAY.

STATEMENT OF HENRY BURN, OF No. 453 FIFTH AVENUE, NEW YORK CITY, REPRESENTING WALL-PAPER MAKERS.

SATURDAY, *November 21, 1908.*

Mr. BURN. Gentlemen, I want to make a plea in behalf of the wall-paper manufacturers of the United States for a reasonable protection to that industry.

The wall-paper manufacturers are in fact the most modest of men when it comes to a matter of this kind, as you will admit when I state that never before have they appealed to Congress for a higher tariff than that which was offered them without any solicitation on their part.

The very wording of the tariff is in proof of my assertion, inasmuch as it refers to certain items which have been obsolete in the business for a quarter of a century.

Our full argument is set forth in the brief that we have filed, and I shall therefore simply call attention to a few commanding features.

First. The fact that we pay wages nearly four times as large as those paid by European manufacturers, their skilled labor costing them only $6 per week, while we pay an average of $22.50 per week for the same class of help, and it is to be assumed that their unskilled labor is paid in the same proportion. Then, again, we guarantee employment for the entire year, while the European manufacturers employ labor only as they actually require it.

This discrepancy will probably increase, as further demands on the part of the labor unions are in prospect.

Second. While the present tariff calls for a duty of 25 per cent, the reciprocity treaty with Germany provides for reduced duty on wall paper—10 per cent, I believe—notwithstanding that the exports to Germany for the fiscal year ending June 30, 1907, were only $7,500, while the exports from Germany to this country were in excess of $300,000.

In other words, we can not see where the reciprocity comes in there.

The CHAIRMAN. I think it is safe to say that this committee will probably do away with the necessity for that treaty with Germany.

Mr. BURN. If so, a part of our appeal will be heeded.

The CHAIRMAN. By a maximum and a minimum tariff.

Mr. BURN. I think that is a good idea.

Third. The entire exports from European manufacturers to this country for the year ending June 30, 1907, were $671,904, while our exports to those countries were only $46,921; thus demonstrating that we can not compete with them in their own markets notwithstanding the strenuous efforts we have made to do so. The exports from European countries have increased from $287,000, in 1903, to $671,000, in 1907, over 125 per cent.

While the proportion of the imports, which probably amounted to $850,000 in 1908, may not seem large at first glance as compared to the total business of our manufacturers, $12,000,000, it must be remembered that at least 75 per cent of our product is sold at actual or less than cost, and that the competition from the European manufacturers is therefore directed against the remaining $3,000,000, to which we look for a reasonable margin, and that consequently our importation of $850,000 against a production of $3,000,000 materially affects the result, and as the importations are so rapidly increasing the situation will become worse instead of better unless we obtain some relief.

Fourth. On raw materials entering into the manufacture of wall paper the duty is in some cases 50 per cent, while the wall paper of which said raw materials form the main cost is brought in at a duty of 25 per cent.

When I speak of raw materials, I speak of materials which are probably finished products in themselves, but which are raw materials when it comes to the matter of manufacturing wall paper.

Fifth. Manufacturing wall paper requires a capital of $1 for every dollars' worth of goods manufactured. Thus, on a capital of $12,000,000 we produce an output of $12,000,000, making the risk a large one for the returns obtained.

Sixth. Protection against undervaluation.

At the present time the manufacturer has no means of knowing whether the goods are coming in with proper valuation or not. Efforts have been made with the appraiser at New York to get in touch with the situation, but the manufacturers were informed that only importers were eligible as advisers to him. Now, it stands to reason that the importer has his own interest to consider in appraising the imports for the duty, but it would seem to me that something ought to be done whereby the manufacturer should have an opportunity of demonstrating whether those goods come in at a proper valuation or not.

Seventh. It is to be assumed that changes about to be made in the tariff will remain in force for many years, and that therefore, unless we receive additional protection now, the industry is liable to be seriously affected and the capital employed will be imperiled.

Under these circumstances we ask for your careful consideration of our plea, and hope that you can consistently advance the duty on wall paper to 35 per cent or 40 per cent ad valorem.

That is all I have to say on that subject.

The CHAIRMAN. Right there, you made a statement that you complained to the appraiser and that the appraiser advised you that importers were the only people they consulted in regard to valuation.

Mr. BURN. Yes, sir.

The CHAIRMAN. What appraiser told you that? Give the name to this committee.

Mr. BURN. Mr. Wanmaker.

The CHAIRMAN. Mr. Wanmaker told you that; when?

Mr. BURN. Within three months.

The CHAIRMAN. Where?

Mr. BURN. At New York City, in his office.

Mr. CLARK. Why do you not ask for a tariff of 60, 70, or 100 per cent?

Mr. BURN. Well, we are not hoggish.

Mr. CLARK. You are not? You have already 94 per cent of the trade?

Mr. BURN. We have how much?

Mr. CLARK. Ninety-four per cent.

Mr. BURN. Of the 94 per cent, 75 per cent brings in no margin whatever.

Mr. CLARK. Are you losing money?

Mr. BURN. If you refer to the past season; yes.

Mr. CLARK. When did you begin to lose money?

Mr. BURN. About fifteen years back, off and on.

Mr. CLARK. You have been losing money for fifteen years?

Mr. BURN. Off and on.

Mr. CLARK. You made more than you lost, did you not?

Mr. BURN. We certainly did, but not much.

Mr. CLARK. But take it altogether you made an average of 15 or 20 per cent, didn't you?

Mr. BURN. No, sir; absolutely not.

Mr. CLARK. How much did you make?

Mr. BURN. Not 10 per cent. Notwithstanding the statements in the public document to which you refer, I contend that that amount of profit has not been made in the wall-paper business.

Mr. CLARK. The gentleman who preceded you put it at 10 per cent.

Mr. BURN. But he went by the figures that are published, perhaps.

Mr. CLARK. Didn't he know how much his own factory made?

Mr. BURN. I could not answer for that.

Mr. CLARK. What is it you are complaining about in the German rating business?

Mr. BURN. As I understand it, there is a reciprocity arrangement with Germany whereby wall paper is admitted to this country at less than the 25 per cent duty.

Mr. CLARK. Now, really the thing you are complaining about and didn't want to say is that you believe that these importations are undervalued at the place they are sent from?

Mr. BURN. I did not say that. I say it is done legally. I understand that there is a reciprocity agreement with Germany which permits the importations of wall paper into this country at less than 25 per cent duty.

Mr. CLARK. How much are you making in your factory?

Mr. BURN. Making what?

Mr. CLARK. How much per cent are you making in this business?

Mr. BURN. We didn't make a dollar last year.

Mr. CLARK. Well, that is the worst year that has struck the country for ten years, so how much did you make before?

Mr. BURN. I could not say offhand. We did not make 10 per cent.

Mr. CLARK. Then, how can you say offhand that you did not make anything last year?

Mr. BURN. Because that was clearly placed before my mind, and I could not get away from it.

Mr. CLARK. Your memory seems to be bad when it comes to profits, but good as to losses.

Mr. BURN. Possibly.

Mr. CLARK. Why don't you tell us how much you made?

Mr. BURN. I do not think it is fair, in the presence of competitors, to answer that question.

The CHAIRMAN. Of course you are not obliged to answer the question, but you are asking for an increase in duty——

Mr. BURN. I will say that it was not 10 per cent.

The CHAIRMAN. The committee will give your request consideration, and if you do not want to answer the question, of course the committee will consider that.

Mr. CLARK. You say it was not 10 per cent. Was it 9½ per cent?

Mr. BURN. Not 9½ per cent.

Mr. CLARK. Was it 6 per cent.

Mr. BURN. Possibly but——

Mr. CLARK. The other man makes 10 per cent, and you make 6 per cent.

Mr. BURN. Well, he is a better merchant than I am.

Mr. CLARK. That is just it if both statements are correct.

Mr. UNDERWOOD. You recognize the fact that the Government has got to raise some revenue, and you believe that a portion of that revenue should be raised by tariff taxation, do you not?

Mr. BURN. Yes, sir.

Mr. UNDERWOOD. If we only allowed 6 per cent of the volume of business in this country of which importations may come in, to raise the tax on all commodities, that only 6 per cent could come in, you can realize that there would be very little revenue raised from tariff taxation?

Mr. BURN. Very true.

Mr. UNDERWOOD. And are not the men in your business willing to take a part of the burden of the support of the Government, as well as expecting the other fellows to do it?

Mr. BURN. They always have. There has never, during the existence of the wall-paper industry, been a request from them for the increase of a duty. We did not even ask for the duty that exists today. Now, when you speak of 6 per cent, I contend that that is not a fair statement of the case. Seventy-five per cent of the wall paper manufactured in this country is of so cheap a grade that there is practically no margin on it at all. It is like the grocery man selling sugar. He does not make much profit on it, but he may have some very big sales of it.

Mr. UNDERWOOD. That is due to home production.

Mr. BURN. Yes; and we do not charge a tariff for that at all.

Mr. UNDERWOOD. You have a prohibitive market on 75 per cent of your product by reason of the present duties?

Mr. BURN. With unprofitable results.

Mr. UNDERWOOD. If you do not make a profit on it, that is by reason of the competition here at home.

Mr. BURN. We do not charge the tariff on that.

Mr. UNDERWOOD. The Government has given you a prohibitive tariff on 75 per cent. Isn't it reasonable that the wall-paper manufacturers should participate in aiding in the raising of the revenues of the Government to the extent of 5 per cent of their production?

Mr. BURN. It would be if it did not imperil the entire industry.

Mr. HILL. You spoke of the German agreement. Wall paper is not in the articles listed as one of those referred to in the reciprocal arrangement. If there has been any increase of duty due to the arrangement, it must be in the form of the valuation. I want to ask you if you know of any importations since the German agreement

was made which caused you to think that there was any undervaluation?

Mr. BURN. Well, I will say to that that we understood the reciprocal arrangement was entered into about the 1st of last July. The figures are not at hand showing the importations since that time, so that we haven't any opportunity to refer to that.

Mr. HILL. Can you supply this committee with samples of any importations of wall paper made prior to the German agreement, and samples of the same paper made subsequent to the German agreement, with the different valuation put upon them?

Mr. BURN. I do not know that we could.

Mr. HILL. If we give you a month to do it in, could you do it?

Mr. BURN. We have no place to refer to. We saw the report published that the reciprocal arrangement between Germany and this country included this paper. It was so published in the newspapers, and that is the only source of information that we have.

Mr. HILL. There is no agreement that can change the tariff rate. The only possible thing would be undervaluation, and it is up to you to show that.

Mr. BURN. In the case cited by the preceding speaker he referred to importations that were made on behalf of large hotels in San Francisco; that on that basis of fact those goods were a specially made exportation for this country, and the duties exacted were equivalent only to 10 per cent.

Mr. HILL. And you do not know of another case excepting that?

Mr. BURN. Not at the present time; no, sir.

Mr. HILL. Any importations made prior to the agreement and subsequent to the agreement, showing a difference in valuation?

Mr. BURN. No; and we only refer to it now with a view to calling your attention to it, and to having the thing removed in the future.

Mr. BONYNGE. Were these importations for the San Francisco hotels made since the German agreement?

Mr. BURN. That was my understanding.

Mr. BOUTELL. Where were they entered?

Mr. BURN. At New York. That is my understanding, but they may have been entered at San Francisco.

Mr. GRIGGS. How long have you been in the business of manufacturing wall paper?

Mr. BURN. I have been in it all my life; ever since 1871.

Mr. GRIGGS. In your own business?

Mr. BURN. During the last twenty-three years it has been my own business; yes, sir. I started at the foot of the ladder and climbed up.

Mr. GRIGGS. You did not begin to lose money until you had made enough out of it to buy a business?

Mr. BURN. Oh, I have made some money.

Mr. HILL. Do you know the name of the parties to whom the San Francisco hotel paper was consigned?

Mr. BURN. L. Tozer & Son, San Francisco.

Mr. GRIGGS. You do not claim to be an infant industry?

Mr. BURN. Oh, no; not at all; nor have we had infant care.

Mr. GRIGGS. You feel that you can walk?

Mr. BURN. We feel that we are a little weaker than we used to be.

Mr. GRIGGS. That is, you need a cane in order to walk?

Mr. BURN. Yes, sir.

Mr. GRIGGS. And you want us to furnish the cane?
Mr. BURN. Yes, sir.
Mr. GRIGGS. And a gold-headed one at that?
Mr. BURN. Yes, sir.

BRIEF SUBMITTED BY REPRESENTATIVES OF THE WALL-PAPER MANUFACTURERS ASKING FOR INCREASE OF DUTY.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The wall-paper manufacturers whose signatures are hereto affixed respectfully ask your consideration of the effect produced upon the wall-paper industry by the rapidly increasing importations of wall papers, due to the low rate of duty applying to same under the present tariff, according to Schedule M, paragraph 402, law of 1897, wherein the duty is placed at 25 per cent ad valorem, and hope that our arguments will justify you in recommending a material increase in the rate of duty in order that the manufacturer may be afforded at least some relief from the present discouraging conditions.

It might be well to observe in the first place that the wall-paper industry has never heretofore requested any protection against importations of foreign wall papers, and that the conditions which compel it to do so at the present time are the result mainly of the enormous increased cost of manufacture, caused by the peculiar contracts with labor unions into which the manufacturer has been obliged to enter, and which provide for the continuous employment of the operatives, whether the plant is running or not.

In the face of these discouraging conditions, we understand that under the reciprocity agreement with Germany a minimum rate of duty has been placed on importations of wall paper from that country of less than 25 per cent, operating directly in favor of the German manufacturer to the detriment of the American manufacturer, inasmuch as the export from the United States to Germany for the fiscal year ending June 30, 1907, amounted to only $7,564, while the importations of wall paper from that country amounted to several hundred thousand dollars.

Another unfavorable condition affecting the industry in this country is due to the fact that many of the raw materials, as far as the manufacture of wall paper is concerned, bear a higher rate of duty than the finished wall paper, of which the said raw materials form the principal item of cost, and as a glaring example of such inconsistencies we refer to the silk floss papers, the duty on the silk floss used in the manufacture of same being 50 per cent, while the duty on the finished wall paper is only 25 per cent.

Again there are imitation leather papers, in which the main cost is that of the varnish, on which the duty is over 100 per cent, while the duty on the finished wall paper is only 25 per cent. There are, of course, many minor items, which figure as raw materials in the manufacture of wall paper, on which the duty ranges from 35 per cent upward, while, as already stated, the duty on the wall paper itself is only 25 per cent.

We appreciate the fact that these so-called raw materials, as far as wall paper is concerned, are finished productions in themselves, and that it might work an injustice to other industries in this country to have the duty on such materials reduced, and, because of these facts, we ask for an increased duty on foreign wall papers.

To demonstrate that the facts are not exaggerated, we submit tabulated returns of the Bureau of Statistics of the Department of Labor and Commerce, Washington, showing that the imports of paper hangings for domestic consumption for the five years ending June 30, 1907, have been as follows:

1903	$287,154.42
1904	291,114.00
1905	361,929.88
1906	456,898.00
1907	671,904.00

The returns for the year ending June 30, 1908, are not at hand, but would no doubt show a considerable increase over 1907.

The burdens imposed on the manufacturer by labor conditions in this country make it impossible for him to compete with foreign countries in the markets of these countries, as is demonstrated by the fact that for the year ending June 30, 1907, we exported to all of the countries of Europe, including the United Kingdom, but $46,921 in value of American wall papers, while, as already shown, we imported from these countries during the same period goods to the value of $671,904, and being unable, because of labor conditions in this country, to compete successfully with the foreign business, we contend that we should at least be given the fullest opportunity of holding the American business for American manufacturers by protection in the way of increased duties.

In addition to the advantages under which the foreign manufacturer is operating, due to a much lower wage scale, is the fact that the word "foreign" has in the minds of most dealers and consumers a significance, which is given a money value. In other words, the imported article, even if it is inferior in many respects, will bring a better price than the domestic article, for the simple reason that it is "imported." Accordingly, for the same grade of papers a price several cents per roll less must be given by the American manufacturer in order to meet this competition.

Another point demands attention. Foreign competition is against the better ends of the domestic lines of wall paper, where the margin of profit should reasonably be the best. Assuming that the money value of the total domestic production of wall paper of all grades is $12,000,000 annually, which is not far from the truth, it is safe to say that not over 25 per cent is of the higher grades.

Local conditions of demand and supply have so reduced the selling price of these cheaper grades, or blanks, that the present margin of profit is reduced almost to a vanishing point. The only possible escape from a net loss in making this grade of papers is by a maximum of production. For the financial balancing of the business, therefore, dependence must be placed on the sale of the higher grades of papers, on which, as has been stated, there should be a fair margin. If foreign competition were restricted, this might be an encouraging possibility. Twenty-five per cent of the value of the annual output of the American factories above referred to is

$3,000,000. This amount, then, represents the volume of domestic products which is in immediate competition with the, say, $875,000 of imports for the past year. In other words, foreign competitors are selling in this country at the present time over 25 per cent as much wall paper of the better and most desirable grades as is placed on our market by all the American manufacturers each year, and, as has been indicated, this is done at the expense of the domestic producer, who finds the reasonable margin of profit of this class of papers, which is absolutely necessary for his prosperity, to a great extent eliminated. Foreign competition, then, strikes the American manufacturer at a point where otherwise he could reasonably hope to make good, in a measure, for the narrower margins of profit at present realized for the cheaper grades of paper, which, in every instance, make up the bulk of the output of all the factories.

Attention is also directed toward the present regulations in respect to determining whether or not importations of wall paper are undervalued.

A committee of manufacturers offered to act in an advisory capacity to the appraiser at New York, with the view to ascertaining whether goods were entered in the custom-house at less than their actual value at the place of manufacture, but were informed by the appraiser that only importers were eligible to act as his advisers.

Now we contend that such a regulation is inconsistent and that wall-paper manufacturers as well should be afforded the fullest possible information in order to correct any evils which may at present exist.

That the wall-paper industry is not in a condition to bear any great strain because of excessive foreign competition is evidenced by the fact that the bankruptcy of wall-paper manufacturers is frequent. During the past eight years the following factories have been discontinued for this reason: Gossler & Wilt, Philadelphia; Wagner, Wagner & Co., Philadelphia; Philadelphia Wall Paper Mills, Philadelphia; Johnstown Wall Paper Mills, Johnstown; Corey, Heller Company, Newark; Essex Wall Paper Mills, Newark; Steubenville Wall Paper Company, Steubenville, Ohio; Western Wall Paper Mills, Superior, Wis.; Conowingo Wall Paper Company, Baltimore; Hoefer, Meinken & Baeck, Nepera Park, N. Y.; Illinois Wall Paper Company, Chicago; George Halbert, Brooklyn, N. Y.; Ithaca Wall Paper Mills, Ithaca; Lakeside Wall Paper Company, Chicago, Ill.; Middletown Wall Paper Company, Middletown, Mass., and Syracuse Paper and Pulp Company, Syracuse. While other factories, viz, Cresswell & Washburn, Philadelphia; Williamson Wall Paper Company, Long Island City, and Tarrytown Wall Paper Mills, Tarrytown, N. Y., have discontinued because of the lack of profit attending their operations, while several other factories of large caliber, such as Allen Higgins Company, Worcester, Mass., and Wm. Campbell Wall Paper Company, Hoboken, N. J., were compelled to reorganize for the same reason.

The wages paid machine printers in England are 25 shillings, or $6, per week, as against an average of $22.50 per week for the same class of help in this country, and it is fair to assume that the wages of the other laboring help is in proportion.

The wages paid machine printers and color mixers in Germany are equivalent to $6 per week.

Respectfully submitted.

The Robert Graves Co., by Henry Burn, president; M. H. Birge & Sons Co., by John J. Lindsay; Standard Wall Paper Co., W. A. Huppuch, first vice-president; William Campbell Wall Paper Co., by Chas. F. Murray, president; Janeway & Carpender, J. J. Janeway, president; Becker, Smith & Page; Imperial Wall Paper Co., J. J. McCabe, secretary; Carey Bro. Wall Paper Manufacturing Co., E. R. Happelfinger, vice-president; Gledhill Wall Paper Co., by George H. Keim, treasurer; Williams & Co.; York Card and Paper Co., Henry Buin, attorney; York Wall Paper Co., Henry Buin, attorney; Hobbs, Benton & Heath, Henry Buin, attorney; Allen Higgins Co., Henry Buin, attorney.

HENRY BURN, REPRESENTING THE MANUFACTURERS OF WALL PAPER, NEW YORK CITY, FILES SUPPLEMENTAL BRIEF.

NEW YORK CITY, N. Y.,
November 30, 1908.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

MY DEAR SIR: In view of the stress that was laid by several members of your committee on the questions submitted to me at your hearing on Saturday, November 21, based upon my request for an increased duty on wall paper, I deem it advisable, on behalf of the wall-paper manufacturers, to bring to your attention certain facts that were not brought out by the examination.

First. Referring, therefore, to the question as to whether a profit of 10 per cent was not adequate, I would say that this assumed profit of 10 per cent is based on the 1905 report of the Department of Commerce; that the reports from the manufacturers, on which the calculation referred to in that report was made, do not show the net profit to the manufacturer, as the inquiries made by the Department of Commerce did not call for sufficient information and did not take into consideration many items that would have to be considered in referring to a net profit.

To be more specific, they did not consider the item of depreciation, which should be calculated at at least 5 per cent on the value of the plant each year, and this amount must be deducted from the gross result in calculating the net profit.

Depreciation must also be considered in a general way in connection with the question as to whether a profit of 10 per cent is ample return in a normal business year on the business of a wall-paper manufacturer. There is probably no other class of machinery on which the depreciation would be so great as on that of wall-paper machinery in case of a discontinuance of the business, which might be caused by the death of the manufacturer or his inability to continue the busi-

ness from whatever cause, and this is due, not so much to the cost of the actual machines themselves, but to the enormous cost of their installation in a building, and as the value of this installation would be entirely destroyed by removal of the machines to another building, I can safely make the statement that in the event of such contingency as outlined above the value of the wall-paper plant would shrink fully 75 per cent, and this assertion is made based upon my personal knowledge in respect to wall-paper plants that have been discontinued. Consequently a profit of 10 per cent would not be adequate, taking into consideration the enormous shrinkage in the value of the plant that would be incurred in the event of its discontinuance.

Second. Again, bearing upon the question of a possible profit of 10 per cent being adequate return, I call attention to the fact that $1 of capital is required for every dollar of business done, and that thereby the manufacturer is enabled to turn over his capital but once a year, and that the business therefore calls for an unduly large amount of capital as compared with that of other industries, and the risk is consequently so much the greater and the wall-paper manufacturer is therefore entitled to a greater margin than the manufacturers in other industries, who can do the same volume of business on perhaps one-fifth of the amount of capital and whose risk is therefore just one-fifth that of the wall-paper manufacturer.

Then, again, the credit risk must be taken into consideration in determining whether a profit of 10 per cent is adequate, inasmuch as the goods are sold on long-credit terms, and it frequently happens that while the credit of the purchaser may have been first class at the time the obligation was incurred he may be in financial straits by the time the obligation becomes due, and a fair percentage for bad debts must also be considered in arriving at the net profit, and it is no exaggeration that the percentage of losses arising from bad debts amount to nearly, if not fully, 2 per cent.

Now, the reports collated by the Department of Commerce do not take in the items of depreciation or of bad debts, and consequently even assuming that otherwise the report reflects accurately the condition of wall-paper manufacturers, the net profit they would show as a result, after providing for depreciation and for bad debts, would bring the net profit down to about 6 per cent, which is certainly not adequate return for the investment and the risk attending same.

Third. Several members of your committee have assumed that inasmuch as the imports of wall paper amounted to only $700,000 and as the aggregate of the domestic production is $12,000,000 we are already well protected under the present tariff, and looking at the matter superficially this argument would be correct, but it has already been pointed out in our brief, and again in the statement I made before your committee, that the importation of, say, $750,000 affects more directly goods of a similar character produced in this country and on which the domestic output is only $3,000,000, and that the percentage of competition is therefore 25 per cent instead of 6 per cent, as assumed by some of the members of your committee; and inasmuch as the imports on these grades of goods have risen in the space of four short years to the extent of 230 per cent, it is quite clear that the present rate of duty on wall paper does not afford a reasonable protection, and as to the other 75 per cent of the domestic production

the goods are of a character of which similar goods are not made abroad, and this accounts up to the present time for the fact that we have no European competition on these grades, and in my estimation, therefore, it can not be contended that the present duty on wall paper has given us protection on the sale of these goods; but inasmuch as the governments of European countries, notably that of Germany, are assisting their industries in finding new fields for their outputs, it is by no means impossible that this market will also be sought on the cheaper grades unless we are protected by an increased duty.

Fourth. As to the question as to whether we desire to have the tariff made prohibitive, we have already stated that that was not our desire. In fact, it could not be made prohibitive, as there will always be a demand for foreign goods on the part of some of our people—people who underrate American productions and who can not see any merit in any production unless it is marked "imported"—and there is no reason why the disparagers of American productions should not be made to pay the additional cost of the imported goods because of an increased duty on same.

Fifth. I was also asked whether the wall-paper industry was not willing to take a part of the burden in supporting the Government, and I replied that we always have, and I now claim that the increase of the duty to 35 per cent or 40 per cent will give the Government as large a revenue from the importation of wall paper as it now derives from the present importations on the lower rate of duty, and at the same time will diminish the importations to an amount that will not seriously affect the wall-paper manufacturers of this country.

Sixth. The greatest danger to our industry, however, is the reciprocal arrangements that are supposed to exist at the present time between the United States and Germany, whereby wall paper may be imported at a less rate of duty than that specified in the present tariff; but your chairman assured me that the committee would probably overcome this difficulty by recommending a maximum and minimum tariff, and in making such a recommendation I would earnestly request that you take into consideration the advisability of making the minimum duty 35 per cent and the maximum duty 45 per cent.

Thanking you for the courtesy extended in permitting us to offer these further suggestions, I am,

Very respectfully, HENRY BURN,
Representing Manufacturers of Wall Paper.

NATIONAL PRINT CUTTERS' ASSOCIATION OF AMERICA ASKS INCREASE OF DUTIES ON WALL PAPER AND PRINT BLOCKS.

NEW YORK CITY, *December 19, 1908.*

Hon. S. E. PAYNE, M. C.,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I have been directed by the above association to write to you in regard to any possible change in the present tariff on manufactured wall papers and interior decorations, and also on print blocks and rollers used in the printing of same.

If any change is contemplated, we respectfully ask your assistance to have the duty on wall papers increased, if at all possible, as we believe the present duty entirely inadequate to give the American manufacturer proper protection against foreign importations.

During the past five years the importations of wall paper have increased about 300 per cent. In 1903 the imports amounted to about $200,000, while now they amount to almost $800,000.

As wages in foreign countries—England and Germany—are only about one-half of what they are in the United States, we feel that not only are the American manufacturers entitled to fair protection but that we ourselves are entitled to protection against the low wages and unfavorable conditions existing in England and Germany, where the wall-paper industries are controlled by syndicates, whereas the American manufacturers, from whom we obtain our livelihood, are hardly making any profit at all, certainly not what they are entitled to make considering the capital invested.

Regarding print blocks, we wish to say that this work is entirely done by hand; not a single part of the same can in any way be made by machine, and it would be a great injustice to us if the present tariff on these print rollers were removed or made any less. They are classified as manufactured wood and metal, principal value on metal 45 per cent ad valorem, and we ask that you use your influence to have this duty increased, if at all possible, as the wages paid in Europe for this work are only about one-half what we receive, and we believe we should receive the protection that years of work entitle us to.

Trusting you will give this your support and assuring you that anything you may do in our behalf will be appreciated, I remain,

Yours, very truly,

[SEAL.] THOS. I. G. EASTWOOD,
Secretary-Treasurer National Print Cutters' Association of America.

THE WALL PAPER MACHINE PRINTERS AND COLOR MIXERS' ASSOCIATION ASKS INCREASE OF DUTY ON WALL PAPER.

PHILADELPHIA, *December 20, 1908.*

Hon. S. E. PAYNE, M. C.,
Chairman Ways and Means Committee:

I have been directed by our association to write to you regarding any possible change in the tariff on wall paper. We respectfully ask that you advocate an advance over the present duty, as it seems to be entirely inadequate to give the American manufacturer proper protection against the importation of wall papers from Europe, where the wages paid are much less than that received by our members

During the last five years the importation has risen 300 per cent; as while the importation five years ago was only $200,000, at the present time it has exceeded the sum of $800,000. These are the conditions that our members of the trade have been working with. Trusting that you will give this your earnest support, assuring you anything you may do in our behalf will be appreciated, I am,

Yours, respectfully,

JOHN T. FURLONG,
Secretary No. 3, The Wall Paper Machine Printers and Color Mixers' Association.

ALLIED WALL-PAPER TRADES OF UNITED STATES CLAIM THAT THEIR INDUSTRY NEEDS MORE PROTECTION.

NEW YORK CITY, *December 22, 1908.*

Hon. S. E. PAYNE, M. C.,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: I have been instructed in behalf of the members of the above-named organization to communicate with you regarding some change in the tariff on wall paper. I would respectfully ask that you advocate an advance over the present duty, as it seems that the American manufacturers have not the proper protection against the importation of wall paper from Europe, where the wages paid are much less than received by our members.

About five years ago the importation was only $200,000 and at the present time it has exceeded the sum of $800,000. These are the conditions that our members of the trade have been working against.

* * * * * * *

Trusting that you will give this your earliest attention, and assuring you whatever you do will be appreciated, I am,

Yours, truly,

JAMES L. MULHEARN,
National Secretary, M. P. & C. M.

RICHARD H. SCHELLER, secretary of Local Union No. 1, N. P. C. A. of A., files a similar letter.

JAMES L. MULHEARN, SECRETARY ALLIED WALL-PAPER TRADES, FILES SUPPLEMENTAL STATEMENT ON WALL PAPER.

233 FORTY-FIFTH STREET,
Brooklyn, N. Y., January 4, 1909.

Hon. SERENO E. PAYNE, M. C.
Washington, D. C.

DEAR SIR: Yours of the 23d at hand and thank you for your quick reply. In your letter you suggested that I make a brief showing the cost of producing paper here and abroad that would be of real service to the committee.

I can not give that information correctly, as I have no record of my own which I could give to the committee. But as we are a labor organization, I will give the committee my views on the subject from a labor standpoint. Thus: The machine printers and color mixers and print cutters in England receive at an average of 35 shillings to £2 per week, equal to about $8.75 to $10 of American money.

The wages paid to the machine printers and color mixers in Germany and France are from 40 to 60 marks per week, equal to $10 to $15 of American money. The print cutters receive from 21 to 40 marks per week, equal to $5.25 to $10 in American money.

The wages received by our members are: Machine printers, from $22 to $25 per week; the color mixers receive $25 per week; and the print cutters $20 per week, and continued employment for an entire

year, where the European employees are employed only as they may be required.

The lower wages paid in the European countries cause the American wall-paper merchant to deal freely with European manufacturers for his requirements, causing the importation to increase nearly 300 per cent in five years. Therefore, our members think that if something is not done to check the importation, or if it is allowed to increase, it may diminish the demand for wall paper made in this country, which would place our members in a less favorable condition.

It may cause a reduction of the wages of our members or shorten the period of employment each year in order for the American manufacturer to meet the foreign competition, or may cause the shutting up of some of the factories in this country and throwing our members out of employment.

Trusting that the committee will take these facts into consideration, and advocate an advance in the duty on wall paper. By so doing they will protect the labor in this country.

Wishing you and the committee all the compliments of the season, I am,

Very truly, yours,

[SEAL.] JAMES L. MULHEARN,
National Secretary Allied Wall Paper Trades.

THE ALLIED WALL PAPER TRADES ASK FOR AN INCREASE OF DUTIES ON WALL PAPER AND INTERIOR DECORATIONS.

NEW YORK CITY, *January 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Supplementary to our letters of December 19 and December 22, 1908, we wish to file the following table relating to the wages paid in the wall-paper industries of England, Germany, and the United States of America, and we would respectfully ask that in view of same that the duty, 25 per cent, on wall papers and interior decorations be increased, and that the rate of duty be based upon United States values instead of foreign, and that the rate of duty upon print blocks and rollers, 45 per cent ad valorem, remain as it is at the present time and not made any less.

Table of wages paid per week.

Printers—	England.	Germany.	United States.
12-color machines	$8.75–$10.00	$10.00–$15.00	$25.00
4 to 8 color machines	6.25– 7.50	7.00– 10.00	$20.00– 22.00
Color mixers	10.00– 15.00	10.00– 15.00	25.00
Print cutters	8.00– 10.00	5.25– 10.00	20.00

We would also call your attention to the fact that during the past few years a large number of wall-paper factories have closed down and we know of others that are on the verge of closing owing to the

competition not only among themselves, but with the foreign manufacturers, especially German.

Trusting you will give this your consideration, as it has become a serious question with the members of our trades, we are,

Respectfully, yours,

JOHN T. FURLONG,
National President Machine Runners and Color Mixers of the United States.

JOHN PARAVICINI,
National President of the National Print Cutters' Association of America.

HON. D. F. LAFEAN, M. C., SUBMITS LETTER FROM THE PRINT CUTTERS' ASSOCIATION, YORK, PA., RELATIVE TO WALL PAPER, INTERIOR DECORATIONS, AND PRINT BLOCKS.

WASHINGTON, D. C., *January 9, 1909.*

Hon. SERENO E. PAYNE, M. C.
Washington, D. C.

MY DEAR SIR: I inclose herewith a self-explanatory communication from York Local Union, No. 5, National Print Cutters' Association of America, which I would respectfully ask that you call to the attention of your committee when the schedule for wall paper is taken up, and that your committee give the argument therein careful consideration.

Yours, very truly, D. F. LAFEAN.

YORK, PA., *January 4, 1909.*

Hon. DANIEL F. LAFEAN, M. C.,
Washington, D. C.

HONORABLE DEAR SIR: I have been directed by York Local, No. 5, National Print Cutters' Association of America, to write you in regards to any possible change in the present tariff on manufactured wall papers and interior decorations, and also on print blocks and rollers used in the printing of same.

If any change is contemplated, we respectfully ask your assistance to have the duty on wall papers increased if at all possible, as we believe the present duty entirely inadequate to give the American manufacturer proper protection against foreign importations.

During the past five years the importations of wall paper has increased about 300 per cent. In 1903 the imports amounted to about $200,000, while it now amounts to almost $800,000.

As wages in foreign countries, England and Germany, are only about one-half of what they are in the United States, we feel that not only are the American manufacturers entitled to fair protection, but that we, ourselves, are entitled to protection against the low wages and unfavorable conditions existing in England and Germany, where the wall paper industries are controlled by syndicates, whereas the American manufacturers from whom we obtain our livelihood are hardly making any profit at all, certainly not what they are entitled to make considering the capital invested.

Regarding print blocks we wish to say that this work is done entirely by hand, not a single part of same can in any way be made by machine, and it would be a great injustice to us if the present tariff on these print rollers were removed or made less. They are classified as manufactured wood and metal, principal value on metal 45 per cent ad valorem, and we ask that you use your influence to have this duty increased if at all possible, as the wages paid in Europe for this work is only about one-half what we receive, and we believe we should receive the protection that years of work entitles us to.

Trusting you will give this your support and assuring you that anything you may do in our behalf will be appreciated, I remain,

Yours, very truly,

NATIONAL PRINT CUTTERS' ASSOCIATION OF AMERICA,
CHAS. H. ROBERTSON,
Secretary Local Union No. 5.

(Communications, duplicates of the above, were received from the following organizations of the National Print Cutters' Association of America: Local Union No. 4, George F. Small, secretary, Buffalo, N. Y.; Local Union No. 5, William E. Steinert, secretary, 269 Handy street, New Brunswick, N. J., submitted by Hon. Benjamin F. Howell, M. C.; Local Union No. 3, Alexander Yuill, New Brunswick, N. J.; Local Union No. 2, John Paravicini, Philadelphia, Pa., submitted by Hon. George D. McCreary, M. C.; Thomas I. G. Eastwood, national secretary National Print Cutters' Association. Hon. D. F. Lafean, M. C., submitted a similar communication from George A. Wagner, secretary Local Union No. 6, National Association of Machine Prints and Color Mixers, York, Pa.)

GLAZED OR TRANSPARENT PAPER.

[Paragraph 402.]

THE U. S. PAPER GOODS CO., CINCINNATI, WISHES PROPER DIFFERENTIAL ON ENVELOPES OF TRANSPARENT PAPER.

CINCINNATI, *December 10, 1908.*

CHAIRMAN WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIR: Our attention has been called to the fact that some discussion has arisen regarding the revision of the tariff schedule on paper. What we are particularly interested in in this line is glazed or transparent paper, which is at present being imported chiefly from Germany, and is used in great quantities for making transparent envelopes.

As we understand it the present rate of duty on paper on importations of this kind is 25 per cent, while the rate on envelopes made up out of this same kind of paper is only 20 per cent. If we as manufacturers buy the paper, we have not only to pay the high rate of duty on the paper, but in making the envelopes, on account of their irregular shape, we are compelled to waste in cutting from 10 to 15 per cent. This waste, in the meantime, has had a duty of 25 per cent

paid on it, whereas the foreign manufacturer of envelopes can get the whole thing in here complete at 20 per cent. This seems to us to be an unfair deal to the American manufacturer of envelopes.

We wish to recommend the above to your consideration. We as manufacturers do not care for any great amount of protection, but we do not want to be discriminated against as above.

We respectfully ask that you give this matter consideration at the proper time.

Yours, very truly, THE U. S. PAPER GOODS CO.
H. W. STUART.

WRAPPING PAPER.

[Paragraph 402.]

STATEMENT OF MILTON E. MARCUSE, OF RICHMOND, VA., WHO THINKS KRAFT PAPER SHOULD BE CLASSED AS TISSUE.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. What is your name?

Mr. MARCUSE. Milton E. Marcuse.

The CHAIRMAN. All right. Proceed.

Mr. MARCUSE. Before submitting the paper which I have I will say that I was interested in the question put by Mr. Gaines to Mr. Sullivan, as to the amount of duty involved on one particular book, and working on that I have figured out that if the total duty were saved to the consumer of wrapping paper that he would save 1 cent in wrapping up 500 pounds of sugar.

Speaking for the wrapping-paper manufacturers, we wish to submit that wrapping-paper manufacturers, representing an investment of about $80,000,000 among 103 mills specifically engaged in this industry in America and employing many thousands of skilled employees, artisans, and laborers, receive little or no protection under the existing law, the duty of 25 per cent ad valorem permitting the importation of a large tonnage of so-called Kraft paper manufactured by European manufacturers. This paper, as its name indicates, is exceedingly strong, so strong that a sheet of 25-pound paper (25 pounds to a ream, 480 sheets of 24 by 36 inches) does the same service as our domestic 40 or 50 pound No. 1 manila. It is manufactured in paper mills where the investment is relatively small and the labor cheap. These manufacturers can build and equip their plants for very much less than the cost required in America. They have machinery and building material free of duty and enjoy low labor costs in all the departments of their business—building, constructing, and operating. Therefore they can afford to run their machinery slow enough to produce this grade, which yields but a very small daily production per inches of machine, whereas in America we can not meet their competition on account of the larger investment and production costs, as we are compelled to run for tonnage, and in order to get the lowest possible production costs we are forced to run such weights and grades as to enable us to secure these results.

The growth of the Kraft paper-making industry and its importation into this country is increasing at an alarming rate. This has grown

from nothing three years ago to an importation last year of between 10,000 and 12,000 tons, so we are informed, and as explained before on account of its superior strength it displaces twice this amount of tonnage of domestic production. If we were afforded a proper protection on these grades we are sure American enterprise would prepare itself to take care of the increased demand for these grades, as already there have been many experiments made in American mills, and one or two manufacturers have been looking very seriously into the problem. To emphasize the effect of this competition let us cite the following comparative table. Costs of manufacture at mills, properly balanced.

No. 1 manila, made of 60 per cent sulphite (popular quality), costs as follows:

60 per cent sulphite, at $35 per ton	$21.00
40 per cent ground wood, at $18 per ton	7.20
	28.20
10 per cent shrinkage	2.82
Conversion	16.00
Freight	4.00
Total	51.02

Or $2.55 per hundredweight.

The Kraft paper costs 3 cents per pound f. o. b. port of entry, plus 25 per cent duty, 75 cents per hundredweight, total $3.75 per hundredweight, f. o. b. port of entry. If sold at 4¼ cents per pound, a ream of 25 pounds costs the consumer $1.06¼ per ream. No. 1 manila, 40 pounds basis, if sold at 3¼ cents, would cost the consumer $1.30 per ream, or 23¾ per ream in favor of the imported paper. We therefore claim that this grade of paper, where labor costs are as high relatively as the costs on the higher forms of steel products, should receive higher protection. We have prepared the following suggestions, which we ask you to include in your schedule on paper:

Proposed schedule for wrapping paper, made in whole or in part from sulphate fiber and commonly known in the trade as "Kraft paper" (or any substitute of equal strength, quality, or appearance), white or colored, and of all kinds of wrapping paper, decorated or containing a design or character of any description, as follows:

Weighing over 65 pounds to the ream of 480 sheets, on a basis of 24 by 36 inches, and whether in reams or any other form, 25 per cent ad valorem; if weighing 40 pounds and not over 65 pounds to the ream, 30 per cent ad valorem; if weighing 30 pounds and not over 40 pounds to the ream, 40 per cent ad valorem; if weighing 20 pounds and not over 30 pounds to the ream, 50 per cent ad valorem.

All other papers known as wrapping paper, not especially provided for in the above, 25 per cent ad valorem.

Novelty wrapping papers containing designs and characters are now being produced in this country, both with and without patents, that must compete with foreign-made papers of like character.

The foreign manufacturers can produce these papers and land them in the United States at a price that will not permit the domestic manufacturers to compete, and, at the same time, nullify the value of the patent issued by this Government, for, owing to the patent laws prevailing now in most of the foreign governments, a patented article must be manufactured in those countries or be available to anyone who chooses to use them.

Kraft paper weighing 20 pounds and under should be classed as tissue.

INVESTMENT.

The wrapping-paper industry is one peculiar unto itself. It occupies a different relationship as regards investment to production than any other industry in this country. To build and equip a wrapping-paper mill requires $2 investment for each $1 of annual production. This does not consider timber lands or working capital, but does include all expenditures for development of water power, construction of pulp mills (mechanical and chemical), paper mills, etc. Therefore, in order to secure a yield of only simple interest on investment, the wrapping paper manufacturer has to make 12 per cent on his product, free of all depreciation costs, etc. Men do not invest in manufacturing business for 6 per cent returns. They would not employ their time, intelligence, and money at so great a labor and risk for so small a return. Good judgment would dictate the preference of lending their money on good collateral for such returns. They must see at least 10 per cent on capital before they would place their money in such enterprises, in which they are not only serving their own interests but are public benefactors, in developing the country's natural resources and giving employment to its labor. To make this 10 per cent they would have to make 20 per cent on their product, and the result of recent years, as shown by ledger balances, shows this to be impossible, in view of foreign competition.

"In considering the tariff on paper we would like for you to recognize the relation which exists between wood and the products therefrom, and iron ore and the products therefrom. Whether converting wood into ground wood pulp for paper purposes, or in converting iron ore into pig iron, the relation of labor to finished product is relatively the same.

"From every point of view, in bringing wood products and steel products into their relation with each other, whether considering the labor expenditure to produce $1 worth; or whether considering the plant investment necessary to produce $1 worth, or whether considering the investment necessary for protection, the supplies of raw material as they are found in the earth or growing from the earth, or whether considering the abstract aspects in connection with political economy, it appears that the duties upon wood and the products thereof should be greater than the duties upon steel (iron ore) and the products thereof, and yet we find that under the present tariff this condition is not only reversed, but most severely reversed, because in some cases the duties upon important heavy steel products are three times as great as upon corresponding wood products.

"We now ask that whatever duties be placed upon iron ore and the products therefrom, correspondingly higher duties be placed upon wood and the products therefrom."

I have also a paper here——

Mr. UNDERWOOD. The duty on iron ore is 50 cents a ton.

Mr. MARCUSE. And pulp wood is free.

Mr. UNDERWOOD. Pulp wood is free. You want 50 cents a ton on wood pulp? Is that what you claim?

Mr. MARCUSE. Whatever your judgment sees fit to give to iron ore, we would like the relationship of wood and its products considered in its relative position.

Mr. UNDERWOOD. I want to ask you, on this subject of wrapping paper, what is the volume of the business in the United States?

Mr. MARCUSE. About 700,000 tons per annum.

Mr. UNDERWOOD. About 700,000 tons per annum. That is, the consumption in this country is 700,000 tons?

Mr. MARCUSE. The production in the country is 700,000 tons. That is what you asked me.

Mr. UNDERWOOD. What is the importation?

Mr. MARCUSE. The importation is a difficult problem to reach, because the wrapping paper comes under that indescribable quantity of "not otherwise specified."

Mr. UNDERWOOD. You mean that you have no figures on the amount of importations?

Mr. MARCUSE. We have made some effort to get some, and hope that we will be able at some not distant day to give those figures.

Mr. UNDERWOOD. But at the time you prepared your statement——

Mr. MARCUSE. I was looking into the subject of Kraft paper, and the importations that I found in one port of entry gave me an indication that the quantity we imagined was being imported should be cut down exactly one-half. The effect that it has had on the trade has influenced the manufacturers of paper to believe that from 20,000 to 25,000 tons were imported last year, but when we found out that about 4,000 tons were received at one port of entry, we concluded that from 10,000 to 12,000 tons were the receipts in the United States.

Mr. UNDERWOOD. You think that the production of wrapping paper in this country amounts to about 700,000 tons, and the importations to about 12,000 tons?

Mr. MARCUSE. But that is of this one particular grade. This is a new product, that has not only disturbed us, but has disturbed us twice as much as it would if it was not serving twice the duty that our papers do.

Mr. UNDERWOOD. On that new product, the importation——

Mr. MARCUSE. If it grows from nothing to 12,000 tons in the short space of three years, in simple geometrical progression, what will it do in ten years? That is what alarms us.

Mr. UNDERWOOD. It might be that the market has been already filled, possibly.

Mr. MARCUSE. To draw it more closely to your attention, it has been a matter of only the recent past when you carried home from the first-class stores of your community your bundles wrapped in Kraft paper. Heretofore they have been wrapped in No. 1 manila or fiber papers of American production. But now, in all of the larger stores, in the larger cities, you find they are working this into common use.

Mr. UNDERWOOD. I do not care to take up the time of the committee in arguing this question with you, if you will pardon me; but I would like to——

Mr. MARCUSE. I do not want to take up any of your time.

Mr. UNDERWOOD. I say, I would like some information, so that if the question comes to a vote I can intelligently vote on the matter. Therefore I want the information for my own guidance. You stated the amount of the production in this country. Now, I would like to know the total amount of importations, in the line of wrapping paper, if you know it. If you do not, you may say so.

Mr. MARCUSE. I do not know it, but I will try to ascertain and give it to you. I have tried to do it, but have not been able to give it to you as yet.

Mr. UNDERWOOD. Is there any exportation of this paper?

Mr. MARCUSE. Of our papers?

Mr. UNDERWOOD. Yes.

Mr. MARCUSE. It is very limited.

Mr. UNDERWOOD. Where do you export it to?

Mr. MARCUSE. I hardly think of exporting now. There is some little exporting going on to Cuba.

Mr. UNDERWOOD. Where have you been exporting in the past?

Mr. MARCUSE. The export business for domestic manufactures in wrapping paper is so small that it is not a factor.

Mr. UNDERWOOD. If you can, I wish you would give the information.

Mr. MARCUSE. As I say, the figure is so infinitesimal that it is not a factor as to which I could even give you the information you are trying to get. I know some little goes to Cuba, and before Porto Rico was made a part of our country some went to Porto Rico.

Mr. UNDERWOOD. Some goes to the Continent, does it not?

Mr. MARCUSE. I do not know of any wrapping paper going to the Continent.

Mr. UNDERWOOD. You ship none to England?

Mr. MARCUSE. I know of none going there.

Mr. UNDERWOOD. Of course you only speak for your own house and not for the trade?

Mr. MARCUSE. I only speak for my own house and from a general knowledge of the trade.

Mr. UNDERWOOD. But you are unable to give the information at present as to a comparison of the amount of the volume of this business that is controlled to-day by the American product as compared with the other?

Mr. MARCUSE. No.

Mr. UNDERWOOD. I would be obliged to you if you would put that statement in, if you can get the figures. That is one of the important propositions that we want to know about.

Mr. MARCUSE. I will be very pleased to do that at a later time, if possible.

Mr. BOUTELL. Who are your principal purchasers?

Mr. MARCUSE. The jobbers.

Mr. BOUTELL. You do not sell to the paper-bag manufacturers, do you?

Mr. MARCUSE. Some of the paper manufacturers do who make bag papers. They sell to the paper-bag manufacturers.

Mr. BOUTELL. Some of the class that you represent here?

Mr. MARCUSE. Yes, sir.

Mr. BOUTELL. There is a large exportation of paper bags, is there not?

Mr. MARCUSE. So I am informed.

Mr. BOUTELL. To Australia and South Africa?

Mr. MARCUSE. Yes.

Mr. BOUTELL. That is made out of your paper?

Mr. MARCUSE. Yes.

Mr. BOUTELL. Are those paper bags that are sold in Australia and South Africa sold in competition with the English and German manufactures?

Mr. MARCUSE. Being unfamiliar with that branch of the business, I am unable to give a reply, but there are other gentlemen here who know more about it.

Mr. BOUTELL. There are paper-bag manufacturers represented here, are there?

Mr. MARCUSE. Yes.

Mr. CLARK. How much per cent did you say you are making?

Mr. MARCUSE. We are making 700,000 tons.

Mr. CLARK. But I ask you how much per cent of money you are making on your investment?

Mr. MARCUSE. Well—how much per cent we are making on our investment?

Mr. CLARK. Yes; it is a simple question.

Mr. MARCUSE. It is a very simple question, and a very difficult one to answer.

Mr. CLARK. Did you not state a while ago that you made 12 per cent?

Mr. MARCUSE. That we would have to make 12 per cent.

Mr. CLARK. Well, how much are you making?

Mr. MARCUSE. I think for an average period of years if it showed 5 per cent net above depreciation and costs the manufacturers would consider themselves fortunate.

Mr. CLARK. How much did you make from 1897 to 1907?

Mr. MARCUSE. I have not been in the business that long, but I want to say now that 5 per cent would be a fair average of the per annum profits that paper manufacturers made in that period.

Mr. CLARK. That is, after you count out the interest, depreciation, and the whole thing?

Mr. MARCUSE. After we count out nothing. The interest is there.

Mr. CLARK. You are all getting poor, then, according to your own tale.

Mr. MARCUSE. I think we are.

Mr. CLARK. You are worse off now than you were ten years ago?

Mr. MARCUSE. We are no better off.

Mr. CLARK. You have not made any money in the meantime?

Mr. MARCUSE. No, sir; we have not made the money that a manufacturing business entitles us to.

Mr. CLARK. I am not talking about what a manufacturing business entitles you to. I am talking about how much you made.

Mr. MARCUSE. Well, I have answered that.

Mr. CLARK. Did you make money or did you lose it?

Mr. MARCUSE. Some years we made money and some years we lost money.

Mr. CLARK. Well, how would it average, on the whole?

Mr. MARCUSE. Five per cent per annum for the last ten years is a fair average of what the paper manufacturers have made.

Mr. CLARK. You said a while ago that if a man did not make 12 per cent——

Mr. MARCUSE. I said——

Mr. CLARK. Wait a minute. You said if a man did not make 12 per cent on his investment in the manufacturing business, he would

pull his money out of the manufacturing business and invest it in securities. Do you know of any securities that will pay 12 per cent?

Mr. MARCUSE. I beg your pardon. I made no such statement.

Mr. CLARK. Well, it sounded like that. What was it?

Mr. MARCUSE. I said that in order to make 6 per cent on the capital invested you have to make 12 per cent on the production of your plant.

Mr. CLARK. And you said that if he did not make that much he would pull his money out and invest it in good securities, did you not?

Mr. MARCUSE. No; I said that that kind of a return does not attract men to that kind of business.

Mr. CLARK. Well, now, what was it you said?

Mr. MARCUSE. Would you like to have it read again?

Mr. CLARK. I would like to have the same statement made again, the same as before.

Mr. MARCUSE. I have it right here. It has not been changed.

Mr. CLARK. Well, state it the way you did before.

Mr. MARCUSE. I said: "To build and equip a wrapping-paper mill requires $2 investment for each $1 of annual production. This does not consider timber lands or working capital, but does include all expenditures for development of water power, construction of pulp mills (mechanical and chemical), paper mills, etc. Therefore, in order to secure a yield of only simple interest on the investment the paper manufacturer has to make 12 per cent on his product, free of all depreciation, costs, etc." Then I went on to say: "Men do not invest in manufacturing business for 6 per cent returns. They would not employ their time, intelligence, and money at so great a labor and risk for so small a return. Good judgment would dictate the preference of lending their money on good collateral for such returns. They must see at least 10 per cent on capital before they would place their money in such enterprises, in which they are not only serving their own interests," etc.

Mr. CLARK. How many concerns, or firms, or corporations, or whatever you are pleased to call them, are there?

Mr. MARCUSE. There are 103 wrapping-paper manufacturers.

Mr. CLARK. Making the same kind of paper that you are?

Mr. MARCUSE. No.

Mr. CLARK. How many of them are making the same kind you make?

Mr. MARCUSE. There is such a diversity of the character of wrapping paper that—well, I would say probably 33⅓ per cent are making the same grades on which I work.

Mr. CLARK. And are they all selling at the same price?

Mr. MARCUSE. No; there is a variation in the price.

Mr. CLARK. You compete with each other?

Mr. MARCUSE. We compete with each other.

Mr. CLARK. There is no agreement?

Mr. MARCUSE. There is no agreement.

Mr. CLARK. And no connection with a paper trust?

Mr. MARCUSE. None in the world, sir.

Mr. CLARK. And no "gentleman's agreement" with you?

Mr. MARCUSE. No "gentleman's agreement" with me.

Mr. CLARK. Do you have an "annual jubilee," too?

Mr. MARCUSE. I do.

Mr. CLARK. Do you talk business at those meetings?

Mr. MARCUSE. We do not have time at those meetings. [Laughter.]

Mr. CLARK. You do not? That is all.

The CHAIRMAN. I wish the reporter would make this note: Onion-skin paper is classified as paper not specially provided for under paragraph 402 of the act of 1897. It is claimed, however, that it should be dutiable as print paper under paragraph 396. The importers have appealed from the decision of the general appraisers, and that appeal is now in force. Meanwhile the Government is collecting under paragraph 402.

Mr. CLARK. I want to ask the last witness a question. Do you ask to have this tariff remain as it is, or to raise it?

Mr. MARCUSE. We ask that the tariff on wrapping paper remain as it is, but that a classification be made for Kraft paper.

BRIEF OF GUSTAVUS MILLHISER, RICHMOND, VA., FILED BY MILTON E. MARCUSE, RELATIVE TO PAPER AND STEEL.

RICHMOND, VA., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We want to approach this subject, not from the selfish standpoint of its commercial aspect as applied to the possible profit to our particular business only, but we want to approach the subject along the combined lines of commercialism, which is self-interest and patriotism, which is the altruistic interest.

In doing this, the first step is to recognize that the people of this country have practically voiced that protection, legitimately applied, meets their approval. We wish to keep before us the fact that while underprotection is an injustice to the particular industry so affected, on the other hand, overprotection is an injustice to all of the many millions of the people of this country.

We realize that under the application of the protective tariff due regard should be had to strengthening the sinews of the country and never weakening them at any point.

We recognize that among the important sinews of future strength in this country wood and steel form important and very far-reaching features.

We recognize that these two articles are totally unlike the products of the soil, which can be produced from year to year in such quantities as the efforts of man may be stimulated to produce.

We realize that proper forestry laws can be made to provide for such a reproduction of forest products as to make the supply of such products practically inexhaustible, and especially so in face of the fact that we have rapidly drifted into extensive substitution of steel for wood in many forms of construction work.

We realize that the natural storehouses in the earth of steel (iron ore) can not be replenished by the powers or ingenuity of man; that once exhausted they are forever exhausted; and we realize that to-day the nation, with its natural storehouses of iron ore exhausted, occupies

a position which places it almost at the mercy of other nations provided with an ample supply of iron ore.

We are living in a steel age, and to preserve our supplies in the earth is the first duty in the direction of protection which is due the American people.

We ask and claim that, inasmuch as wood does renew itself and can be made to do so to an almost unlimited extent, and that as steel (iron ore) does not and can not be made to renew itself—we ask and claim that whatever protection may be seen fit to apply to wood and the products thereof that still lower duties be applied to iron ore and the products thereof.

Not only for the perfectly clear reasons that I have mentioned does this policy impress itself and intrench itself behind the spirit of justice and justice itself, but it would also be helpful toward improving the position of each and every man, woman, and child in the United States engaged properly in the struggle for advancement.

It would not only reduce to some extent, varying only in degree, the cost of every operation in which one can engage to-day; but in doing so, it would also enable each and every manufacturer, who has articles to export or who might be induced to reach out in the direction of articles for export, to be put in a more favorable position to conduct his present operations and to look forward to increasing same in existing and yet unexplored directions.

Under the present tariff, wood in the form of logs (that is to say, in its crudest form) is on the free list, and we do not ask that it be removed from the free list; to the contrary, we want it to remain there, and we correspondingly ask that iron ore be similarly placed upon the free list.

We find that timber, when converted into boards for building purposes, or when converted into ground-wood pulp for paper purposes, carries a duty of about 10 per cent, and we find, that under the existing tariff, iron ore, when converted into pig iron, carries a duty of about 33 per cent. The actual expenditure for labor in producing $1 worth (at cost value) of either, boards for building purposes or ground-wood pulp for paper purposes—embracing all of the operations from the tree in the forest to the production of these articles—is as great (or greater) as is the actual expenditure for labor in producing $1 worth (at cost value) of pig iron—embracing all of the operations from the ore in the ore bed to the production of the pig iron.

We feel that justice, coupled with the best business discretion, would leave these duties upon timber products at the existing, say, 10 per cent; but would correspondingly place pig iron below 10 per cent.

We find that the duty under the existing tariff upon chemical pulp is, upon an ad valorem basis, practically the same as upon ground-wood pulp; i. e., 10 per cent, and we find that the duty upon steel rails is about 40 per cent. The actual expenditure for labor in producing $1 worth (at cost value) of chemical pulp, embracing all of the operations from the tree in the forest to the production of chemical pulp—is as great (or greater) as is the actual expenditure for labor in producing $1 worth (at cost value) of steel rails, embracing all of the operations from the ore in the ore bed to the production of the steel rail.

We do not ask that the rate of duty upon chemical pulp be advanced, but we do, in the interest of ourselves and the whole American people, ask that a corresponding basis of protection be applied to steel rails.

We find that under the existing tariff print paper carries a duty of about 15 per cent and, we will say, other papers about 25 per cent; and we find that articles of steel manufacture corresponding to these in their removal from raw stock toward finished products carry duties of at least double these percentages.

The complete expenditure for plant for producing finished paper, embracing all of the operations from the tree in the forest to the production of finished paper, is $2 to $2.25, average, for each $1 worth (at cost value) of finished paper produced. The complete expenditure for plant for producing the heavy finished products of steel, embracing all of the operations from the ore in the ore bed to the production of the heavy finished products of steel, is $1 to $1.25, average, for each $1 worth (at cost value) of the heavy finished products of steel produced.

The investment involved for a paper mill to protect itself in its wood supplies by ownership of either timber lands or stumpage rights is, for each $1 worth (cost value) of paper produced, as great as the investment involved for a steel plant to protect itself with its combined supplies, in the ground, of iron ore, coal, and limestone, provided that on the part of the steel plant this protection be obtained by ownership of the iron ore, coal, and limestone deposits; but if this protection on the part of the steel plant be accomplished by leases based upon the payment of royalties at the times these different products may be mined, then the investment for such protection disappears entirely or falls far below the investment required for protection on the part of the paper mill.

From every point of view, in bringing wood products and steel products into their relation with each other, whether considering the labor expenditure to produce $1 worth, or whether considering the plant investment necessary to produce $1 worth, or whether considering the investment necessary for protecting the supplies of raw material as they are found in the earth or growing from the earth, or whether considering the abstract aspects in connection with political economy, it appears that the duties upon wood and the products thereof should be greater than the duties upon steel (iron ore) and the products thereof, and yet we find that under the present tariff this condition is not only reversed, but most severely reversed, because in some cases the duties upon important heavy steel products are three times as great as upon corresponding wood products.

It should be borne in mind that all the products which, by their nature, are heavy in gross weight in relation to their cost value, carry, by their very nature, an innate protection; e. g., 100 pounds of merchandise, valued at $100, and subject to an import freight of $1, would carry an innate protection of 1 per cent, whereas 100 pounds of merchandise valued at $10 and subject to an import freight of $1 would carry an innate protection of 10 per cent. The heavy products of steel and the corresponding products of wood are conspicuous under this head.

The railroad freight charges for assembling all of the raw materials and afterwards transporting the finished products—both of wood and steel—constitute a large part of the production cost.

Should the steel schedules be revised in the direction that these views would suggest, then the railroads, by getting their steel supplies at lower prices, would, instead of crying for increase in freight rates, in a short time, no doubt, be prepared to decrease freight rates; and the benefits from such a change would not accrue to any favored spots, but would reach, in some degree, every man, woman, and child in the nation.

I can only believe that the discrepencies under the present tariff in the comparative treatment of wood and steel products were due to the oversight in failing to bring these two products together and considering their relation to each other.

We now ask that whatever duties be placed upon iron ore and the products therefrom, correspondingly higher duties be placed upon wood and the products therefrom.

Respectfully submitted.

GUSTAVUS WILLHISER,
President Bedford Pulp and Paper Co.

R. S. ELLIOTT, PHILADELPHIA, PA., MAKES A STATEMENT RELATIVE TO SWEDISH KRAFT WRAPPING PAPER.

SATURDAY, *November 21, 1908.*

Mr. ELLIOTT. Mr. Chairman, I now want to present the following arguments why the present rate of duty, namely 25 per cent on wrapping papers which are imported under the style of a paper known as "Swedish Kraft," should not be changed.

First, the American has been taught by the Swede that it was possible to produce a superior paper with greater yardage from a given cord of spruce. This being true it would naturally help to save our forests. By yardage I mean that this Kraft paper being so strong can be used in a much lighter weight than regular manila wrapping paper. Thus the cost to the consumer is equalized and not as much timber is necessary to supply the wrapping requirements of the consumer. When the domestic manufacturers of manila paper began to see that the domestic user of wrapping paper demanded this Kraft paper they undertook to produce the same article with the result that to-day papers equal to the Swedish, both in price and quality, are made by domestic mills. One of the largest domestic mills is producing a superior grade of Kraft made from pulp imported from Canada, which, coming across the line, has to pay a duty to say nothing of the freight to the mill making this paper. But even under these conditions, that paper is sold in competition in New York with the best grades made in Sweden.

Mr. UNDERWOOD. Let me ask you a question about that. Do you know the volume of this wrapping-paper business in this country?

Mr. ELLIOTT. No; I do not.

Mr. UNDERWOOD. Do you know the amount of the importations?

Mr. ELLIOTT. Not in this Kraft paper; no. It has only grown up in the last three years.

Mr. UNDERWOOD. What effect would it have on the business if we adopted the suggestion of the last witness, and made a specific enumeration of the Kraft paper?

Mr. ELLIOTT. I could not hear his statement. Does he want to raise the duty?

Mr. UNDERWOOD. I could not understand myself, from what he stated, exactly what he wanted, and I thought that possibly you could throw some light on it.

Mr. ELLIOTT. I was so far back that I could not hear it.

Mr. DALZELL. I understood that he wanted to retain the duty as it is now, but with a new classification for Kraft paper.

Mr. UNDERWOOD. What effect would that have on the business?

Mr. ELLIOTT. What would be the object of making a classification if it were not to raise the duty and bring it under some other classification where there is a higher duty?

The CHAIRMAN. You say that a new classification would raise the duty, as you understand it?

Mr. ELLIOTT. You asked me if it would?

The CHAIRMAN. Yes.

Mr. ELLIOTT. I do not see any other object, when they are making the paper, as I have stated they are.

Mr. UNDERWOOD. They are making paper of that kind?

Mr. ELLIOTT. Yes. It sells in New York City in competition with the Swedish.

GREASE-PROOF PAPERS.

[Paragraph 402.]

STATEMENT OF R. S. ELLIOTT, OF PHILADELPHIA, PA., RELATIVE TO GLASSINE AND GREASE-PROOF PAPERS.

SATURDAY, *November 21, 1908.*

Mr. ELLIOTT. Mr. Chairman, I think I can get through in five minutes.

The CHAIRMAN. Be as brief as you can.

Mr. ELLIOTT. I desire to present before this committee the following facts, showing why the present rate of duty on glassine and grease-proof papers, as covered by article 402 of the present tariff, should remain the same.

The CHAIRMAN. You can file your brief.

Mr. ELLIOTT. I just wanted to read that page.

The CHAIRMAN. All right.

Mr. ELLIOTT (reads):

The gradual increase in the consumption of these papers in the past twelve years has reached a total, at the present time, of 5,000,000 pounds of grease-proof papers and 10,000,000 pounds of glassine paper per year. Of this amount American manufacturers are producing approximately 4,000,000 pounds of grease-proof papers and 2,500,000 pounds of the glassine. This business has been established under the present rate of duty, and any increase in the rate would tend to upset the conditions which have become established among the various trades using this class of paper. The domestic manufacturers are producing nearly all the grease-proof paper consumed in America, but only a fraction of the consumption of glassine paper. It will be many years before the American

manufacturers will be able to produce the extra 8,000,000 pounds of glassine which is now imported, to say nothing of the natural increase in the consumption of these papers. An increase in the present rate of duty on these classes of paper would prevent the large manufacturers of bags and envelopes in this country from competing with the finished articles, which could be imported from abroad, where the cost of labor of manufacturing is much less.

Now, I want to give you just one point. If you change the specification of this paper and put it at $2.10, it will affect the fig manufacturers in California to the tune of about $40,000 a year. If you change the rate on that paper, it will do that. The reason for that is that glassine paper has only been produced in this country in the last two years. It is a specialty, and if you raise the tariff it would take two or three years for another mill to learn to make that paper. In the meantime concerns like the Worcester Envelope Company and the American Paper Goods Company—that employ hundreds of people—would absolutely be at the mercy of envelopes and photographic inclosures made on the other side.

I would like to read a letter from the Worcester Envelope Company, which will show the situation. [Reads:]

WORCESTER, MASS., *November 19, 1908.*

The Ways and Means Committee,
National House of Representatives, Washington, D. C.

GENTLEMEN: In reference to the present duty on transparent imitation parchmyn, or glassine paper, we beg to say that we as manufacturers of envelopes and other goods made from this paper find it impossible in the majority of cases to compete with the foreign manufacturer, who can procure the paper at the mill in Germany or in the same country in which he resides.

We understand that there is one factory in this country making paper of this kind, and we are informed by a firm of manufacturers in Europe that they will shortly also establish a branch factory here in this country. They state that it is possible to manufacture this paper here at a good profit with the present existing tariff. From this we submit that there should be no advance, and we strongly urge that there be some reduction, so that we can compete on large orders with the European manufacturers who are placing their goods direct here.

Very respectfully, yours,

WORCESTER ENVELOPE CO.

Dictated by George D. Barber.

Then there is another thing: The American manufacturer asks for a change in the classification of this paper to a parchment paper, but the American manufacturer is able on his grease-proof paper to compete with that vegetable parchment. That vegetable parchment is a much higher grade of paper. There are three manufacturers in this country making it, but the American manufacturer of grease-proof paper has produced such a superior article in color that he is able to influence trade away from the three vegetable parchment mills, who make a much higher grade of stock; so that you could see that to change the classification of this paper, which is a wood paper and not a cotton-stock paper like the vegetable parchment is—the vegetable parchment is worth twice as much—and to ask for an increase of 100 per cent, for that is what it amounts to; you can figure out exactly what it means to the American using this paper, like box and envelope makers and factories like that.

Mr. Elliott filed the following:

Notwithstanding the fact that the domestic manufacturers, under the present rate of duty, are now supplying nearly the full consumption of grease-proof papers, they ask for an increase of over 100

per cent in the present rate of duty, and ask for as great a rate as is assessed on vegetable parchment paper, which costs over twice as much per pound. But the domestic manufacturers are also producing an imitation vegetable parchment under the 25 per cent rate of duty which successfully competes with genuine domestic parchment paper.

THE HUBBS & CORNING COMPANY, BALTIMORE, MD., SUBMITS BRIEF RELATIVE TO SWEDISH KRAFT, PARCHMYN, AND GREASE-PROOF PAPERS.

BALTIMORE, MD., *December 8, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Having listened with much interest to the proceedings of Saturday, November 21, 1908, before your honorable committee on Schedule M, pulp, paper, and books, I wish to submit some facts for your consideration on the so-called Swedish kraft (strong) papers, also parchmyn or pergamyn, and grease-proof papers. In submitting these facts I do so in behalf of Hubbs & Corning Company (Incorporated), Baltimore, Md., and New York City, dealers or jobbers in domestic wrapping papers and importers of the above-mentioned foreign papers, and last but not least the wrapping paper consuming public generally. These papers now pay a duty of 25 per cent ad valorem under paragraph 402, and we strongly urge and recommend no raise in this rate nor change in classification. It has been fully demonstrated that kraft papers can be produced in this country, to compete with the imported, and at a profit. There are at the present time three large and progressive mills in this country manufacturing a similar article, and, we understand, from pulp manufactured by themselves. A fourth mill manufactured such a paper from pulp made in Canada, on which they pay an import duty into this country. A fifth mill, recently built, we are told, equipped themselves with machinery for manufacturing papers of the "sulphite" process, or kraft papers.

I respectfully submit it is not reasonable to suppose that these mills have gone to the expense of installing new machinery and making possibly expensive alterations in their plants necessary to produce an article in which they can see no profit.

The home manufacturer has a protection over and above the 25 per cent duty now existing in the amount of expense incurred in importing and warehousing the foreign article, which on an importation of 5 tons amounts to between 25 cents to 35 cents per hundredweight. There are fixed charges, such as consular fees, wharfage, and labor charges at dock, at times high rates of foreign exchange, marine insurance, and in most Atlantic coast ports there is either a lighterage charge to docks closer and cartage to warehouse, or an extremely long and expensive cartage.

The American manufacturer, with the exception of those who have seen the growth of imported goods and have risen to meet it by pro-

ducing a competitive article, want a tariff sufficiently high to enable them to continue the short method production of poorer and weaker wrapping papers, and the further destruction of our forests. They do not want to admit, without a struggle, that the old methods are "passe," and that the public are demanding a better and stronger wrapping paper for the protection of their merchandise, and if home mills can produce such a paper, and it has been proven they can at a profit, why then should the wrapping paper consuming public be made to suffer by an increase of duty? Such an increase would discourage the manufacturer of what has become a necessary article in this country—a strong paper without unnecessary weight; inasmuch as it would entail an extra expense to equip domestic mills with the necessary machinery for making kraft papers, it is not likely, under a higher tariff, that they would go to this expense, but would be satisfied to continue along the same old lines, grinding up our pulp wood faster than is necessary, were they making a stronger, thinner, and better paper.

A higher duty will do exactly what the American manufacturers of wrapping paper are arguing for, keep out the foreign paper and keep down the standard of quality of American made goods below the point of efficiency. The whole trouble has been that home manufacturers have not studied the best interests of the consumers by making a paper sufficiently good and strong, and at the same time light enough in weight to be attractive in price. Had they done so the foreign article could never have gained a hold in this country.

I do not think the duty should be so high that it enables the American manufacturer to make money without using the necessary amount of brains, and competition is the only encouragement for superiority in one line of American goods over another. The American manufacturer has the cure for the ailment in his own brains and hands, which Providence has given him to use for his own advancement.

We can not all be manufacturers; if we could I would say give us a higher tariff, but some of us have to be dealers, consumers, and even importers, and need protection as well as the manufacturers.

The gentleman who represented the wrapping-paper manufacturers before your honorable committee gave comparisons in costs and selling prices of a 60 per cent sulphite paper made in this country, against the foreign kraft paper, which is a 100 per cent chemical pulp paper, and this is in no sense a fair comparison. He should have compared the foreign kraft papers with a paper made from what is known as pure slow-cooked or Meisterlich sulphite pulp, and the difference in weight and cost per ream for the same strength would have been nearer equal. His comparison was ridiculous and misleading. Using this gentleman's figures for making and shrinkage as a basis, which is conceded to be about correct, in the first place the mill making paper to-day profitably has to have its own sulphite plant and paper machine. At this rate sulphite would cost $30 per ton or $1.50 per hundredweight; shrinkage would be 10 per cent, which would be 15 cents per hundredweight; the manipulation and manufacturing costs 80 cents per hundredweight; in other words, pulp made and turned into paper at $2.45 per hundredweight, giving a pure sulphite paper of the ordinary quick-cooked sulphite.

The slow-cooked or Meisterlich process would cost $35 per ton at the mill, or $1.75 per hundredweight; shrinkage at 10 per cent would

be 17½ cents per hundredweight; manipulation, 80 cents per hundredweight; total, $2.72½ per hundredweight. Allowing the mill a profit of $10 per ton, or 50 cents per hundredweight, would make the cost of quick-cooked finished paper $2.95 per hundredweight and the slow-cooked finished paper $3.22½ per hundredweight. In other words, 35 pounds pure sulphite, quick cooked, would cost $1.02½ per ream of 480 sheets, 24 by 36 inches, and would test and give a wearing strength better than 25 pounds to a ream of 480 sheets, 24 by 36 inches, of pure kraft imported paper. Twenty-five pounds per ream, 24 by 36 inches, paper made by the slow-cooked process in this country tests practically the same as the same weight and thickness of imported kraft paper and would cost the mill 78 cents per ream, so that it is much cheaper paper to use than the kraft paper.

The gentleman's statements are unreasonable from the fact that he is figuring $35 per ton as the cost of sulphite, whereas that is a good, long, liberal price. He has no right to figure an adulterated paper against a pure article, which he has done by figuring 40 per cent ground wood and 60 per cent sulphite. The ground wood does not add anything to the paper as far as wrapping qualities go. It only cheapens the quality, as it has no strength. He uses the freight rate of $4 per ton, or 20 cents per hundredweight, in his comparison on the domestic paper only, which is exceptionally high, as freight rates will not average over 15 cents per hundredweight. He allows no freight on the imported kraft paper, and the only place the kraft paper can be bought without freight is at seaport towns; and the consumption of kraft paper in seaport towns is a very small percentage of what is used in the country, for it is principally used in manufacturing purposes of all kinds.

In figuring on kraft paper he figures 25-pound basis, which always costs more than the heavier weight; he adds 25 per cent duty and nothing else, while to land this paper at the warehouse even in seaport towns would add 25 cents to 35 cents per hundredweight to his figures. Then again he admits the cost of the adulterated (60 per cent sulphite and 40 per cent ground wood) paper would be $2.55 per hundredweight, including the extravagant freight, and then figures the price to the consumer at 3¼ cents per pound, which puts on the handsome profit of 70 cents per hundredweight—almost 30 per cent.

Now taking his cost for the foreign paper in 25-pound basis at $3.75 per hundredweight, adding extra such as interest, insurance, consular fees, brokerage fees, dockage, etc., and this would bring his cost to 4 cents per pound, but he is wrong in his figuring, for No. 1 kraft paper 25-pound basis can not be brought into this country and delivered in warehouses for anything like this price; and, furthermore, is not offered to the consumer at 4¼ cents per pound, but would average nearer 4¾ cents per pound for this weight. So you can see it is not a case of cheapness either by comparison of weights, using lighter weight in foreign than in domestic, or by actual price of the goods, but simply the fact there is not enough first-class paper made here, because the mills prefer to make tonnage product and make a cheaper article and make more pounds, whereas the consumer desires a light-weight, strong wrapper.

He should have figured his profits equal, giving each a fair showing, and if he is going to figure freight, figure the quantity of kraft paper that goes to the interior, and add to this 20 cents per hundredweight for freight, as he has done on the domestic paper, which is only right, it would bring the kraft paper up and make it all the more prohibitory at its present price and rate of duty; and if you compare qualities you have to compare the best quality and 100 per cent of the best quality of the pulp made here against the same percentage of the best quality of pulp made abroad. The foreign pulp can be brought in here and manufactured, including $2.25 per hundredweight for the pulp, 22 cents per hundredweight for shrinkage, and 80 cents per hundredweight for making, and 15 cents per hundredweight for freight; total $3.42, showing that the pulp can be brought here and kraft paper manufactured in this country cheaper than the paper itself can be imported, and we further feel confident that the pulp can be made in this country just as cheap as it can be made in any other country, for we have the wood, and the manufacturing of pulp is a chemical process taking very little labor in comparison with the machine work, and the machine end of it and the chemical end of it costs practically the same in one country as in another.

Your committee has already heard facts conce ning parchmyn or pergamyn and grease-proof papers from a manufacturer of these papers in this country, showing that under an unsatisfactory condition of business during the so-called panic of 1907 and a tariff on the foreign article of 25 per cent, this manufacturer was blessed inasmuch as he stated he had made a profit of approximately $10,000, or 3 per cent, on his capital invested. This mill started to make these papers on a small scale of an inferior quality, and has advantages now, in that he has proved he can make a profit and make prompt delivery, and has a further advantage of freight rates for interior business.

Now, if he can make a profit on the lines he is working along, why can he not increase this profit each year by making a better article as he increases his product and thereby minimize his expense? At the classification he asks, which means a higher rate of duty, he might just as well have a patented article, and the consumers who are obliged to use this class of paper would have to pay an enormous profit for the imported article, while he is getting in a position two or three years hence to take care of the business, as such an increase would in all likelihood cut the import down to about one-half at once. It is used now largely for wrappers for patented medicines, canned goods, and articles of this sort, simply to preserve the label and to keep them from dust and dirt, and being transparent the label can be read through the parchmyn paper. This is quite an expense which the manufacturer of these articles did not have to incur, but as the paper was reasonable and within reach in price they have adopted it for this purpose, thereby giving the consumer cleaner and better packed goods. Excessive duty would not improve the standard of the American goods in this case, but would be a great drawback.

All of which is respectfully submitted.

Very truly, yours,

A. J. CORNING, Jr.,
Assistant Treasurer.
HUBBS & CORNING CO.

THE ROBERT GAIR CO., BROOKLYN, N. Y., WISHES THE DUTIES ON GLASSINE AND SIMILAR PAPERS REDUCED.

BROOKLYN, N. Y., *January 6, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee of Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: In connection with the proposed revision of existing tariff schedules now in the hands of your committee, we desire to make mention of several items which are manifestly favorable to our European competitors.

Herewith are samples of paper, and envelopes made of the same, variously described as japanin, parchmyn, glassine, etc. This material possesses qualities which are bringing it into very great demand.

The paper in the form of raw material is admitted under paragraph 402 at the rate of 25 per cent ad valorem. The finished article—that is, envelopes made of this paper—is admitted under paragraph 399 at the rate of 20 per cent ad valorem.

A large percentage of the cost of these goods is represented by the material used, and in making the envelopes the waste in cutting the various shapes required is about 12 per cent, and often greater, with a further waste incident to manufacture. The burden imposed on the American manufacturer is thus increased to the further advantage of his European competitors.

Since the business has grown to large proportions the European manufacturers have been able to control the best of it for the reasons set forth above. We suggest that, as existing tariffs discriminate against the American manufacturer in favor of his foreign competitors, the schedule on raw material be reduced to 10 per cent, and the rate on goods made of this paper be increased to 35 per cent. This will not more than equalize the advantage the foreign manufacturer has in having the raw material made at his doors, and a lower cost of production.

A reduction in the price of the raw material will not operate against any manufacturer in this country, as very little of the paper is produced here, principally for the reason that there has been no incentive to American paper makers to take it up because of the fact that the goods made of this paper are brought here and sold at prices we can not meet.

We respectfully request your earnest consideration of this matter, and are sure that your investigations will sustain the justice of our claims.

Respectfully,

ROBERT GAIR COMPANY,
GEO. W. GAIR, *Vice-President.*

JACQUARD DESIGNS AND CARDS.

[Paragraph 402.]

STATEMENT OF ROBERT P. BAGGALEY, OF PATERSON, N. J., RELATIVE TO SMUGGLING OF JACQUARD DESIGNS.

SATURDAY, *November 21, 1908.*

Mr. BAGGALEY. I am here, if the gentlemen please, to discuss the matter of Jacquard designs.

We are asking for an increase in the tariff on these designs.

Mr. FORDNEY. Are these not put on in that name in the free list?

Mr. BAGGALEY. No, sir.

The CHAIRMAN. Under what section of the schedule is this found?

Mr. BAGGALEY. It is under section 402. These designs are the skilled part of the silk industry. We are greatly suffering from importation of these designs from Germany. They import designs here at 3 marks per hundred cards, which is equal to about 75 cents. The lowest price at which we can work and earn a decent wage is $2.50 per hundred, working at our best and fastest. The tariff applied on these designs now is 35 per cent ad valorem. If the 35 per cent was applied it would bring it up to $1.01 per hundred cards. This duty is not always paid, because they can send it through the mails in a very small space, very valuable designs which we have here to show you, occupying a very small space comparatively. They can send designs valued up to $500 through the mails and pay no duty on them. The duty has never been known to be paid for some years by five or six manufacturers. It is easily evaded. They send these designs through in envelopes. They can pack five or six in an envelope. Here is one design which would cost about $25 upon the basis of the American workman's wages.

Mr. BONYNGE. Do you know how much was imported last year?

Mr. BAGGALEY. At a rough estimate, which we tried to get, there was about $50,000 worth.

Mr. BONYNGE. The statistics we have show the total value of the importations to have been $1,905.50, and the duties paid were $666.94.

Mr. BAGGALEY. Yes, sir; that is paid through the custom-house in New York by one concern, I believe.

Mr. BONYNGE. You say the rest is smuggled in?

Mr. BAGGALEY. Yes, sir; it is smuggled in, and very easily, too. I may say that we went down to the custom-house about four or five years ago and furnished them with information where it was coming from. They were sending it through the mails.

Mr. DALZELL. Smuggling through the mails?

Mr. BAGGALEY. Yes, sir.

Mr. DALZELL. I do not see how the tariff will affect that.

Mr. BAGGALEY. They state on the other side it is a design of no value.

Mr. BONYNGE. How would raising the duty prevent the smuggling of goods in that way? Will not that have a tendency to increase the smuggling? If there is a higher duty, will there not be a greater inducement to smuggle the goods than if we were to lower the duty?

Mr. BAGGALEY. I am asking for a higher duty on it.

Mr. BONYNGE. I know, but putting a higher duty on it would increase the smuggling, would it not?

Mr. BAGGALEY. I do not think it would.

Mr. BONYNGE. There would be more inducement to smuggle the goods, would there not?

Mr. BAGGALEY. Yes, sir; for the few manufacturers that smuggle them in at the present time, there are only about seven manufacturers that smuggle them in that way, and there are only about sixty designers working in the silk industry at the present time.

Mr. BONYNGE. How long has this been manufactured?

Mr. BAGGALEY. This is not manufactured. It is art. It is a product of the brain.

Mr. BONYNGE. How long have you been in the business?

Mr. BAGGALEY. In America I have been eleven years; in business for myself five years. I have been working at this since I was 15 years old. It is a business that takes seven years to get a practical knowledge of. You never learn the business, practically, because there is something always coming in under the construction of machines that you have to restudy again.

They also send perforated cards, done from designs on the other side, in order to evade the duty on it, and they repeat it over here on special machines. They could not send the cards originally made, because they are so heavy, and they send them in a small roll like this [indicating]. They evade the duty on designs like this, which are called "designing cards." We are now trying to stop that practice. We are only a very small number of men, and we have been trying our very best to stop this practice. We went to the custom house and told them who were sending these over from Germany. The only way I can see is to make them declare what the packages are, from the places where they originate, and then you can see what they are. The post-office in New York or Philadelphia can stop this practice. Make them declare what is in the package.

Mr. GRIGGS. Who will do the declaring?

Mr. BAGGALEY. The one that sends the package to this country.

Mr. CLARK. A man has a right to send what he pleases through a letter that pays the highest rate of postage.

Mr. BAGGALEY. The legal rate of postage?

Mr. CLARK. Yes, sir. I want to know how you are going to stop it.

Mr. GRIGGS. You say that comes in as first-class mail matter?

Mr. BAGGALEY. Yes, sir; it comes in as first-class matter.

Mr. GRIGGS. Did you ever stop to consider how much it would cost to send that as first-class matter?

Mr. BAGGALEY. No, sir; we have not.

Mr. GRIGGS. It would cost 32 cents a pound.

Mr. BAGGALEY. That would not make much difference on a pattern that will cost $20 to $25 to execute in this country. A pound does not amount to much in a proposition of that sort. I know I sent patterns here before I came to this country, under the McKinley Act, and I had to declare what was inside of the packages. I had to make a declaration at the post-office where I posted them in England. I sent them here to a manufacturer and he paid the duty on those sketches. Those were small sketches, which were in the form which I now show you. That is the first part of the silk industry. Next

comes the design, and next the cards, and its manufacture in the looms. You have to make a declaration, because I have had to make it known to the postal authorities in England the contents of the package I was sending and whether it is dutiable.

Mr. GRIGGS. In a letter?

Mr. BAGGALEY. Yes, sir; to the postmaster where it is sent from.

Mr. DALZELL. Are you after a change in the tariff?

Mr. BAGGALEY. We are after a change in the tariff, sir, to bring it up equal to what we work for at the lowest price, and also to stop this importation without paying the duty on the design.

Mr. DALZELL. This committee has no jurisdiction over that.

Mr. BAGGALEY. Where is the jurisdiction? Where do we have to go to stop this thing?

Mr. DALZELL. It is the business of the Post-Office Department to correct that sort of thing.

Mr. CLARK. You should apply to the Postmaster-General.

Mr. FORDNEY. This is a violation of the law. The question is to catch them.

Mr. BAGGALEY. That is it. We will give all the information we have to the proper parties.

Mr. FORDNEY. You should give it to the Post-Office Department.

Mr. BONYNGE. As I understand it, you also want a change in the rate of duty?

Mr. BAGGALEY. Yes, sir; we want a change in the duty.

Mr. BONYNGE. What change do you want?

Mr. BAGGALEY. I would be in favor of 100 per cent, to bring it anywhere near what it should be.

Mr. BONYNGE. It is now 35 per cent, and you want 100 per cent ad valorem?

Mr. BAGGALEY. Yes, sir.

Mr. BONYNGE. Have you any figures to show the cost abroad and the cost at home that would warrant such an increase?

Mr. BAGGALEY. Yes, sir. The cost for a design to be made here by practical men is at the rate of $25, while the cost on the other side is very little, because they employ young boys and apprentices. We can not do that here, because the boys will not go into the trade. There is not a sufficient amount of it. That is the reason they can sell them at a very small price, such as 75 cents per hundred.

Mr. GRIGGS. Per hundred what?

Mr. BAGGALEY. Per hundred cards designing.

Mr. GRIGGS. What does it cost to make a hundred cards here?

Mr. BAGGALEY. A very simple design would cost around $1.75 for the workman's wages, but we charge it at $2.50 [supplying the sketch paper and material for it.]

Mr. CLARK. If the smuggling could be stopped, would that suit you?

Mr. BAGGALEY. That would suit us, if they paid the increased duty which we ask for.

Mr. CLARK. If you stop the smuggling and let the duty stay as it is, would that be satisfactory?

Mr. BAGGALEY. No; not altogether. They undersell us at least three times. What they can sell here for a dollar we have to charge $2.50 for as a minimum price.

Mr. CLARK. You want us to stop the smuggling and raise the tariff from 35 per cent to 100 per cent?

Mr. BAGGALEY. Yes, sir; to enable us to have an equal chance to compete with them.

Mr. CLARK. That is a very modest request.

Mr. UNDERWOOD. How much business is done in this country?

Mr. BAGGALEY. Per year?

Mr. UNDERWOOD. Yes.

Mr. BAGGALEY. On an average of about $50,000 a year by the designers who are in business for themselves, and about $50,000 a year by designers employed inside the mills by manufacturers.

Mr. UNDERWOOD. How much of it do the home producers do?

Mr. BAGGALEY. I am talking about the home producer now.

Mr. UNDERWOOD. I mean how much is sold in this country? What is the entire volume of business?

Mr. BAGGALEY. The volume of business is about equal to what we do—$40,000 to $50,000, imported into this country.

Mr. UNDERWOOD. You mean the volume of business is about $100,000, of which you do about $50,000 and the importers do about $50,000?

Mr. BAGGALEY. Yes, sir.

Mr. UNDERWOOD. You control one-half of the trade?

Mr. BAGGALEY. Yes, sir.

Mr. UNDERWOOD. Do you not think you are pretty well protected when you control half of the trade?

Mr. BAGGALEY. I do not think so. Ten years ago there were at least twice as many designers, and the importers have sent them out of business. They were employed but about one-half the year, owing to the importation of designs.

Mr. UNDERWOOD. You have 35 per cent ad valorem now?

Mr. BAGGALEY. Yes, sir; and that does not bring it anywhere near right. They can import their designs or cards, which cost them 75 cents, and the ad valorem duty brings it up to $1.01, whereas our lowest price is $2.50, and we only make a reasonable wage at that. This is not printing matter at all. This is skill and is made from the hand and brush and brains. You have to understand every part of the silk machinery to make these designs, or else they would be of no use at all.

Mr. BOUTELL. How much of the foreign product that gets into this country do you estimate is smuggled?

Mr. BAGGALEY. I should say 90 per cent. I only know of one firm that imports these cards that pays any duty at all.

Mr. BOUTELL. That is, your opinion is that 90 per cent of the foreign product that gets into this country is smuggled?

Mr. BAGGALEY. Yes, sir; through the mails.

Mr. BOUTELL. Have you complained to the Post-Office Department?

Mr. BAGGALEY. We have complained to the custom-house, and Mr. Nathan told us to go to Mr. Morgan, of the New York post-office. There is an awful lot smuggled through the Philadelphia post-office, too.

Mr. GRIGGS. Do you know who sends these cards in here?

Mr. BAGGALEY. Yes, sir.

Mr. GRIGGS. Do you know that they pay no duty?

Mr. BAGGALEY. We know that they pay no duty on these designs.

Mr. GRIGGS. Go and take out a warrant for those fellows. That will stop them.

Mr. BAGGALEY. We tried some time ago to stop them. We have been doing our best.

STATEMENT OF WILLIAM S. BUTTS, OF PATERSON, N. J., RELATIVE TO THE DUTIES IMPOSED ON JACQUARD DESIGNS.

SATURDAY, *November 21, 1908.*

Mr. BUTTS. Mr. Chairman and gentlemen, the foreign houses, as Mr. Baggaley said, get 75 cents per hundred, while our lowest price is $2.50. Even if we had this 35 per cent ad valorem increased to 75 per cent, that would bring it up to only $1, while our lowest possible price is $2.50. We can not compete with them. Fifty per cent of all designs used are imported to this country. In the last nine years this importation has increased up to 50 per cent, while we can state that in the designing shops in Paterson, which employ probably 12 and 14 and up to 20 designers, they have not even had any increase, but, on the other hand, have only 1 or 2 designers to-day. It has decreased their business greatly. The importation has increased largely. Thirty-five per cent ad valorem would not be sufficient. There ought to be 75 per cent duty on it to make it equal with our price. That means we will have a fair competition.

Mr. CLARK. How does it happen that this trade is falling off under the very same law that you had ten years ago?

Mr. BUTTS. There was not so much importing at that time. It has increased since. They are not quite all importing yet, but there are probably half a dozen or eight who are importing now and getting the designs for half price, or even one-third the price, that other manufacturers have to pay who do not import the designs. If this condition continues, we will be wiped out of business entirely.

Mr. CLARK. If you could get along very well ten or eight or seven years ago, how does it happen you are getting into trouble now?

Mr. BUTTS. Because they were not importing then.

Mr. CLARK. They were not importing at all then?

Mr. BUTTS. No, sir.

Mr. CLARK. How long have you been in the business at Paterson?

Mr. BUTTS. Over fifteen years.

Mr. CLARK. Are you a naturalized citizen?

Mr. BUTTS. Yes.

Mr. CLARK. And the gentleman who just preceded you, is he naturalized?

Mr. BUTTS. I do not know.

Mr. BAGALAY. Yes, sir.

Mr. CLARK. Both citizens, are you?

Mr. BUTTS. Yes, sir; for over fifteen years.

REPRESENTATIVES OF JACQUARD DESIGNERS AND CARD CUTTERS ASK AN INCREASE OF DUTIES.

PATERSON, N. J., *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to submit brief for the benefit of your committee, to show cause why the tariff should be increased on Jacquard designs and cards. We are asking only a reasonable amount of protection to our industry.

The European competition has been very great during the last few years, and the custom-house statistics do not show the actual importation in the United States.

It is very easy to avoid paying duty on these importations, as they come through the mails on very thin paper (as Exhibits 1, 2, and 4), made expressly for the export trade. The designers in the United States have suffered considerably through this, and their numbers have decreased 50 per cent in the last five or six years.

Six years ago there were 140 designers and 50 card cutters in this part of the country, and to-day there are no more than 60 or 70 designers and 30 card cutters. The decrease is not due entirely to change of fashion, but is due to the greatly increased importations that pay no duty.

One firm in this city has a special machine by which they can take these imported cards (Exhibit 2) and manufacture from them cards of the same size and similar in every way to the cards now used on the Jacquard looms, as per Exhibit 3. Cards sent this way (Exhibit 2) saves the duty on the designs, and if duty is collected it is collected on the cards only.

Cards coming in this way should pay duty on the design and cards combined, as the design must be created before the cards can be perforated.

Many firms in Germany export designs and cards to the United States, and if manufacturers in the United States who import them are allowed to take advantage of the extremely low duty, or duty evaded altogether, other manufacturers in the silk industry will have to follow in order to compete, and the result of such a course would be to lessen the number of designers and card cutters to a few, or drive them out of the business altogether in a short time.

Considering the wages paid here and wages paid in Germany, we have no chance of fair competition, and therefore we ask for an increase in the tariff of at least 100 per cent.

The minimum rate at which designs can be produced in this country is $2.50 per hundred cards, and in Germany the rate is 3 marks (75 cents) per hundred cards.

We do not fear competition with any country as far as ability goes, but we can not stay in the business and exist under the present conditions.

We submit exhibits of sketches, designs, and cards, also a wage scale, showing the different wages paid here and in Germany. The following is a comparative scale of wages:

	America.	Germany.
Designers of average ability, per week	$16.50	$6.00
First-class designers, per week	25.00–30.00	12.00
Boys (apprentices), per week	3.50	.60

We also ask that all designs coming through the custom-house undervalued, or fraudulently through the mails, be confiscated.

Respectfully submitted.

ROBERT P. BAGGALEY,
WILLIAM L. BUTZ,
Committee (representing the Jacquard designers and card cutters of the United States).

BOOKS.

[Paragraphs 403, 500, 501, 502, 503, 504, and 645.]

THE CONCORDIA PUBLISHING HOUSE, ST. LOUIS, MO., SUGGESTS A NEW CLASSIFICATION FOR BOOKS.

ST. LOUIS, *November 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

RESPECTED SIRS: It is hardly to be doubted that in your work of revising the tariff rates for the various import articles your attention will have been attracted to the fact that books published in a foreign country in a language other than English pass our custom-house duty free. Even upon the risk of doing something that might be adjudged superfluous by you, we desire to respectfully call your attention to this fact anew, at the same time begging leave to politely suggest to your honored committee that this practice is hardly in conformity with our principles of protection. It is true many of the books printed in a foreign language in a foreign country are of such a nature that their production does not collide with any prerogatives of American labor, inasmuch as the demand in this country for such books would be too small for any American publisher to feel encouraged in the undertaking of their publication, but it is also a fact that American publishers whose peculiarity of business or trade gives them more or less work in foreign languages designed for home consumption will, under the prevailing conditions, find it decidedly to their individual advantage to farm out such work in Europe, thus taking away from American labor what legitimately belongs here.

We respectfully hold that the customs office should make a distinction between books published in foreign countries for foreign markets and only sporadically introduced into this country by importers and books published in foreign countries with the obvious intention of marketing them in this country—in fact, made in Europe for American publishers and bearing the American publishers' imprint on their title-pages.

Without undertaking to make definite suggestions to you as to a rate to be applied or as to exact demarcation between the one class and the other, we simply desire to submit this to your attentive consideration as we know from personal experience that thousands of dollars worth of such productions are brought into this country duty free, which otherwise would have to be produced here and would redound to the advantage of American labor, although the publishers in that event might be obliged to place a higher market price on such goods if produced in this country.

Thanking you in advance for your kind consideration of this question, we are,

Very respectfully, yours,

CONCORDIA PUBLISHING HOUSE,
E. SEUEL, *General Agent.*

STATEMENT OF ISAAC H. BLANCHARD, NEW YORK CITY, ASKING PROTECTION FOR THE BOOK-MAKING INDUSTRY.

SATURDAY, *November 21, 1908.*

Mr. BLANCHARD. Mr. Chairman and gentlemen, I represent the Typothetæ of the city of New York—the job printing and publishing industry of the United States. Our organization is a part of the United Typothetæ of America, the national organization of the graphic arts trade, and, as the strongest branch of that national organization, we feel that we represent to-day the sentiment of the job printers and publishers of this country. Many members of our organization are represented in the brief presented for your consideration by the National Association of Employing Lithographers, and our membership begs to indorse in detail the representations placed before you by that organization.

In the brief, Mr. Chairman, which we submit, and which I will not read except to follow your suggestion to make a brief, we have quoted your tariff schedule of 25 per cent in clause 403, and we refer to the free list in clauses 500, 501, 502, and 503. We have submitted our substitute propositions which provide for an increase in duty. We submit the volume of the industry on page 4 and the volume of the imports on pages 4, 5, and 6. We submit for your consideration a comparison of the weekly wages, on page 6, and some illustrations on pages 7 and 8, to which I want to call your attention.

The inventory value of printed matter consists of the two factors, merchandise or paper stock and labor, and in some cases the labor value is 25 per cent of the total inventory value, and in some cases it runs as high as 75 per cent. In a case where the labor value of the inventory is 75 per cent on a $1,000 inventory, under the present 25 per cent duty the laid-down value is $1,275 of the imported $1,000 inventory. If produced in the United States, as compared with the German production, the cost of that inventory is $2,500. A further illustration is given on pages 7 and 8, which shows other comparisons, which I submit for your consideration.

The organization which I represent asks one thing only—an even chance in our home market. From the tables that are submitted it

is apparent that with a tariff of 75 per cent the merchandise stock values of the average inventory would have to be in excess of one-half of the total inventory before the American manufacturer will be able to deliver the goods at a price equal to the prices quoted by the foreign manufacturer.

I thank you, Mr. Chairman.

Mr. CRUMPACKER. The paper manufacturing industry in this country is quite extensive, is it not? I mean the manufactures of paper?

Mr. BLANCHARD. Yes, sir.

Mr. CRUMPACKER. Do you want an increase in the duty?

Mr. BLANCHARD. No, sir.

Mr. CRUMPACKER. What are you asking for?

Mr. BLANCHARD. We are asking for an increase in the duty on printed matter, under section 403, reading "Books of all kinds, including blank books and pamphlets and engravings bound or unbound," etc.

Mr. CRUMPACKER. And printed matter?

Mr. BLANCHARD. Yes.

Mr. CRUMPACKER. What is the ad valorem duty now?

Mr. BLANCHARD. Twenty-five per cent on some items; free list on some others.

Mr. CRUMPACKER. Is it a large industry in the United States now?

Mr. BLANCHARD. It is an industry which in 1905, according to the census reports, amounted to $186,000,000.

Mr. CRUMPACKER. It is a prosperous industry?

Mr. BLANCHARD. The prosperity is measured by the total and bulk of business.

Mr. CRUMPACKER. You mentioned wages in this country and in Germany. That was mentioned by several of the gentlemen who have given testimony on the subject. It would seem that the rate of wages in this country is about four times as high as the rate in Germany for the same kind of service?

Mr. BLANCHARD. Yes, sir.

Mr. CRUMPACKER. Do you know why German artisans, skilled and unskilled, do not come over here if they can receive four times as good wages as they are getting at home? I understand we do not have any considerable amount of immigrants from Germany, do we?

Mr. BLANCHARD. I believe we do.

Mr. CRUMPACKER. Any considerable number of immigrants from Germany?

Mr. BLANCHARD. I believe so. I have no statistics.

Mr. CRUMPACKER. I had supposed they were satisfied with the conditions at home and had quit coming here largely.

Mr. BLANCHARD. I could not furnish any statement as to that by authority.

Mr. CRUMPACKER. That is a statement I can not altogether reconcile with the situation.

Mr. BLANCHARD. Do I understand you query the correctness of the statement as to comparative wages?

Mr. CRUMPACKER. I wondered if it could be reconciled with the conditions. The immigration now coming into this country is, as I understand, from other countries than Germany.

Mr. BLANCHARD. I would like to submit to the committee some facts bearing on that inquiry. The facts would be as to the impor-

tation of contract labor, the workman from abroad being regarded as a contract laborer if he comes here with a position already arranged for.

Mr. FORDNEY. What is the difference, do you say, between the cost of labor here and in Germany?

Mr. BLANCHARD. Four dollars here to $1 there, approximately. These schedules are on page 6 of the brief.

The CHAIRMAN. He stated exactly in the brief what it is.

Mr. FORDNEY. Yes; but it will be some time before I get that brief.

Mr. GAINES. That statement as to the comparative rate of wages seems to be a matter of some doubt. Do you file with the committee evidences of the difference that you claim?

Mr. BLANCHARD. Yes, sir. I will give you the entire details. Some of them have come from the chief clerk of the Census Bureau, Mr. Rossiter, and I will file with the committee the authorities from which they are compiled.

Mr. FORDNEY. The Republican campaign text-book showed that the difference between the wages here and in Germany was very great, sir, and I had that in mind. [Laughter.]

Mr. CRUMPACKER. I had the idea that the difference was great, but I did not know it was so great as that. The Germans, I should think, would come over under the present conditions.

Mr. BLANCHARD. The German post cards come over, and why? Because Blanchard can not get people here to make them and pay the bills for labor.

The CHAIRMAN. The committee have been obtaining during the recess, through the State Department, reports on the cost of labor abroad, and I have had one of the clerks prepare a statement of the cost of labor of hand compositors, and so forth, the class of labor mentioned in his brief, and while the wages vary from his brief, they show a higher cost paid in Great Britain, while they are meager in Germany.

The chairman submitted the following:

The following rates are paid by the city of Sheffield, England, in cases where no contract for printing is made, as given in printed circular accompanying report of consul at that place:

Hand compositors, $8.40 per week; machine compositors (linotype), $10.08 per week; machine minders, $8.40 per week; lithograph printers, $8.30 per week. News printers—compositors (night work), $10.80; compositors (day work), $10.08; machine minders (day work), $8.40; jobbing compositors, $8.40.

Coburg, Germany, pays $7.14 per week for male compositors; Stuttgart, Germany, $8.80; Nice, France, $10.45; Berne, Switzerland, $8.20.

BRIEF OF THE TYPOTHETÆ OF NEW YORK CITY RELATIVE TO THE TARIFFS AFFECTING THE PRINTING INDUSTRY IN THE UNITED STATES.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Typothetæ of the city of New York is an organization composed of the leading houses of the graphic arts trades in

that greatest American city. Our organization is a part of the United Typothetæ of America (the national organization of the graphic arts trade) and is the strongest branch of that national organization of employing printers. We feel, therefore, that we represent to-day the sentiment of the American job printers and publishers of this country.

The printing industry in New York City is its second greatest industry, and occupies a high relative position in all of the other leading cities of the United States, Chicago, Philadelphia, Boston, St. Louis, and San Francisco following in the order named.

We would respectfully request from your committee the further privilege of laying before you at a later hearing such additional specific information from our national organization and other local organizations as will be of further use to your committee in reaching wise and helpful conclusions as to legislation.

Many members of our organization are represented in the brief presented to your honorable committee by the National Association of Employing Lithographers. Our membership beg to indorse in detail the representations placed before you by that organization.

Our membership also includes the largest manufacturers of post cards in the United States.

Respectfully submitted.

ISAAC H. BLANCHARD,
Chairman of the Executive Committee
Typothetæ of the City of New York.

ROBERT SCHALKENBACH,
President Typothetæ of the City of New York.

TARIFF SCHEDULES IN FORCE AT THE PRESENT TIME AFFECTING THE PRINTING INDUSTRY.

Tariff on manufactures of paper.

403. Books of all kinds, including blank books and pamphlets, and engravings bound or unbound, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing not specially provided for in this act, twenty-five per centum ad valorem.

Free list.

500. Books, engravings, photographs, etchings bound or unbound, maps and charts imported by authority or for the use of the United States or for the use of the Library of Congress.

501. Books, maps, music, engravings, photographs, etchings bound or unbound, and charts, which shall have been printed more than twenty years at the date of importation, and all hydrographic charts, and publications issued for their subscribers or exchanges by scientific and literary associations or academies, or publications of individuals for gratuitous private circulation, and public documents issued by foreign governments.

502. Books and pamphlets printed exclusively in languages other than English; also books and music, in raised print, used exclusively by the blind.

503. Books, maps, music, photographs, etchings, lithographic prints, and charts, specially imported, not more than two copies in any one invoice, in good faith, for the use or by order of any society

or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or for the use or by order of any college, academy, school, or seminary of learning in the United States, or any state or public library, and not for sale, subject to such regulations as the Secretary of the Treasury shall prescribe.

PROPOSED TARIFF ON MANUFACTURE OF PAPER.

Substitute for section 403.

Books of all kinds, including blank books and pamphlets, and engravings bound or unbound, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing not specially provided for in this act, seventy-five per centum ad valorem.

Substitute for section 500.

Books, engravings, photographs, etchings bound or unbound, maps, and charts imported for the use of the Library of Congress.

Substitute for section 501.

All hydrographic charts and publications issued for their subscribers or exchanges by scientific and literary associations or academies, and public documents issued by foreign governments.

Substitute for section 502.

Books and music in raised print used exclusively by the blind.
Cancel section 503.

Volume of job-printing industry in the United States.

From page 21 of Bulletin 79, Census of Manufactures for the year 1907: Book and job printing, 1880, $90,979,341; book and job printing, 1890, $95,592,765; book and job printing, 1900, $124,070,861; book and job printing, 1905, $186,759,503.

Volume of imports in job-printing industry.

Books, maps, engravings, music, photographs, etc., which have been printed more than twenty years at date of importation, and all hydrographic charts and publications issued for their subscribers or exchanges by scientific or literary associations, or academies, or publications of individuals for gratuitous private circulation, and public documents issued by foreign governments (free of duty)—1900, $621,623.38; 1905, $953,797.81; 1907, $1,238,877.50.

Books and pamphlets printed exclusively in languages other than English (free of duty)—1900, $789,849.05; 1905, $1,088,957.15; 1907, $1,459,134.89.

Books and music in raised print, used by blind (free)—1900, $512; 1905, $595; 1907, $567.

(Act of 1907.) Books, maps, music, photographs, etchings, lithographic prints and charts specially imported, not more than two

copies in any one invoice, in good faith, for the use of any society or institution incorporated or established for educational, philosophical, scientific, literary, or religious purposes, or for the encouragement of the fine arts, or for the use or by the order of any college, academy, school, seminary of learning in the United States or any state or public library and not for sale (free)—1900, $191,528.50; 1905, $265,871.84; 1907, $302,349.41.

Books; pamphlets, bound or unbound; maps, charts, music in books or sheets, and all printed matter not specially provided for. Rate of duty, 25 per cent—1900, $1,327,727.14; 1905, $1,753,864.75; 1907, $2,770,061.67.

Engravings, bound or unbound; etchings and photographs. Duty 25 per cent—1900, $210,852.91; 1905, $213,022.17 ($1,318); 1907, $273,317.33.

Weekly wages comparison in printing trades expressed in United States currency.

	Germany.	Great Britain.	United States.
Hand compositors, machine tender	$6.00	$8.40	$21.00
Machine compositors	8.95	10.08	23.00
Pressfeeders	3.00 to 4.00	5.50	16.00
Pressmen	5.00 to 8.00	14.00	24.00 to 30.00

NOTE.—These figures for Germany are averages from 33 cities in 1905 plus a 10 per cent increase to provide for the wage increases granted during the year 1907, the records being compiled from United States census reports. These figures for Great Britain are approximately from reports in the files of the American Tariff League of New York. These figures for the United States are the scales of wages paid in New York City, and are representative of the wage scales throughout the entire United States.

In the illustrations which we herewith submit as concrete methods of showing present conditions and conditions which are desired, a few points should be borne in mind.

First. In all printing inventories the labor item fluctuates from 30 per cent to 80 per cent of the entire inventory value, depending on the number of copies in an edition.

Second. As shown in the tables, wages in Germany are from 20 per cent to 30 per cent of the American wages, while wages in Great Britain are from 50 per cent to 70 per cent of American wages. In our illustrations we base our estimates on wages at 33⅓ per cent of American wages.

Third. In our estimate we have based the values of merchandise used at the same figures in the United States as abroad, although in reality these values throughout Europe are considerably less than in the United States.

Fourth. In making allowance for cost of transportation, insurance, and interest on the capital invested during transit, we have allowed but 2½ per cent on the inventory value, which experience demonstrates to be a low estimate.

Illustration No. 1.

On an inventory of $1.000, where the labor value is 75 per cent of the total, the laid-down value of this inventory is:

Original inventory	$1,000
25 per cent duty	250
Interest and transportation charges	25
Total present laid-down value	1,275

If produced in the United States at wages three times as great as covered by the inventory on an inventory consisting of 75 per cent labor and 25 per cent merchandise stock, the laid-down value of the $1,000 inventory is:

Merchandise stock	$250
Labor	2,250
Total present laid-down value, American manufacture	2,500

If a tariff of 75 per cent, as proposed, prevailed, the conditions would be as follows:

Original inventory	$1,000
75 per cent duty	750
Interest and transportation charges	25
Total proposed laid-down value of $1,000 inventory	1,775

Illustration No. 2.

On an inventory of $1,000, where the labor value is 50 per cent of the total, the laid-down value of $1,000 inventory is $1,275.

If produced in the United States, at wages three times as great as covered by the inventory value, consisting of 50 per cent labor and 50 per cent merchandise stock, the laid-down value of the $1,000 inventory is:

Merchandise stock	$500
Labor	1,500
Total present laid-down value, American manufacture	2,000

If a tariff of 75 per cent prevailed, the total laid-down value of the $1,000 inventory would be $1,775.

Illustration No. 3.

On an inventory of $1,000, where the labor value is 25 per cent of the total, the laid-down value of $1,000 inventory is $1,275.

If produced in the United States at wages three times as great as covered by the inventory, value on an inventory consisting of 25 per cent labor and 75 per cent merchandise stock, the laid-down value of the $1,000 inventory is:

Merchandise stock	$750
Labor	750
Total present laid-down value, American manufacture	1,500

If a tariff of 75 per cent prevailed, the total present laid-down value on this inventory would be $1,775.

Conclusion.

From the above tables it is apparent that with a tariff of 75 per cent the merchandise stock values of the average inventory would have to be in excess of one-half of the total inventory before the American manufacturer would be able to deliver the goods at a price equal to the price quoted by the foreign manufacturer.

WILLIAM PARKER CUTTER, REPRESENTING THE BOOK-BUYING COMMITTEE OF THE AMERICAN LIBRARY ASSOCIATION, ASKS THAT THERE BE NO CHANGE IN BOOK SCHEDULES.

SATURDAY, *November 21, 1908.*

The CHAIRMAN. Do you want to submit something now, or to complete what has been said?

Mr. CUTTER. I want to be heard in opposition to any change in the free list of books, in behalf of libraries.

The CHAIRMAN. Have you a printed brief?

Mr. CUTTER. No, sir; but I have some remarks in notes here.

The CHAIRMAN. A written or a printed brief?

Mr. CUTTER. I have a written brief. I will be very glad to submit this in written form and to read only one or two extracts from it, with your permission.

There are two reasons why I wish, on behalf of the libraries of this country, to protest against any curtailment of the privilege of importation free of duty books for public libraries. The first is that such action as I suggest is for the good of the whole people of the United States. The institutions to be benefited are such as have been established solely for the intellectual uplifting of our race. They are not institutions conducted for profit, but on the contrary they are often hampered for funds, and their usefulness is impaired by a lack of financial resources.

The other point is in regard to protection for the American printer, which I believe is the basis of the argument of the printer for removing that privilege from the free list. I have brought some figures here from my own library, from my own experience, in which I have attempted to estimate the amount of protection that would be accorded to the American printer by the putting books that we import free on the dutiable list. During the last fiscal year the total importations were about six and one-half millions of dollars, or about 2.7 per cent of the total books in the country produced or imported. The duties from importations were about 1.4 per cent of the total. The wages paid for the production of the articles were $49,000,000, or about 20 per cent of the value of the finished, manufactured, or printed article. The wage cost of the imported article if printed in the United States, therefore, would on this basis be 20 per cent of the cost of the manufacture, which is about 25 per cent of the publisher's wholesale price, or would be 5 per cent of the importation value. That is the wage value of the books that we buy. On the duty-free importations it would be $168,759, whereas the duty, if paid, would be $843,795. In other words, our friends, the printers, are asking the public institutions of this country to tax themselves $25 for every $5 of protection.

As I have already pointed out to you, public libraries are importing only about a quarter of a million dollars of books currently printed, from all sources, per annum, and of these only $100,000 worth, those printed in English, would probably be printed in this country. I took my bills for the last four years and checked off those which by any

possibility would be ever printed in this country commercially. These would cost the manufacturer $20,000, and the wage-earner's share would be $5,000. I submit it is not right to ask this committee to change that item in the free list so that 188,000 printers could get $5,000.

Mr. CRUMPACKER. Do you know of anyone advocating the imposition of a duty on foreign books imported for public libraries?

Mr. CUTTER. I understood from the newspaper reports that such a thing would be advocated before the committee. (See p. 1062, where New York Typothetæ advocate this.)

The CHAIRMAN. What paragraph is that?

Mr. CUTTER. 503.

The CHAIRMAN. The contention is simply with reference to rebound books, is it not?

Mr. CUTTER. No, sir; but I can speak of that subject also.

The CHAIRMAN. The complaint is made that the public libraries are taking advantage of this paragraph to have books rebound in Europe and brought in here in order to save the expense on binding?

Mr. CUTTER. No, sir; I am doing that myself. That is not the reason. We can not get the work done in this country as well. We have tried.

The CHAIRMAN. But that is the complaint, and that is what you are contending against?

Mr. CUTTER. Yes, sir; I am contending against that complaint simply because we have tried, gentlemen, to get that work done, and can not have it done as well here.

Mr. GAINES. That work is what?

Mr. CUTTER. Rebinding books, so that they can be circulated from 100 to 150 times. We have not been able to have it done satisfactorily here.

Mr. GAINES. What peculiar character of binding is that which can not be done in this country?

Mr. CUTTER. We can not make the binders understand what we want. It is a different kind of binding. A man has a method of sewing which is not used by anyone else in this country.

Mr. BOUTELL. What would be the effect of admitting free all books of foreign authors printed abroad, and in ordinary binding?

Mr. CUTTER. It would be the best thing, sir, I think, for the people of this country, speaking from the intellectual standpoint, that could be. It would make books very much cheaper.

Mr. BOUTELL. Have you figured out that it would be a great loss to anybody?

Mr. CUTTER. I do think it would.

Mr. CRUMPACKER. Would it not affect the interests of printers in this country?

Mr. CUTTER. Yes, sir; I do think it would. It would much more seriously affect publishers, who are only middlemen selling manufactured articles.

WILLIAM PARKER CUTTER, REPRESENTING AMERICAN LIBRARY ASSOCIATION, ASKS THAT THERE BE NO CURTAILMENT OF DUTY-FREE IMPORTATIONS OF BOOKS.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

Mr. Chairman and gentlemen of the committee, I appear before you as the representative of the American Library Association, an organization having 2,000 members, and the only organization which can speak for the libraries of this country. I may say, therefore, that I am here to speak for 6,000 libraries, containing 60,000,000 volumes, adding yearly 3,000,000 volumes, and expending yearly $10,000,000. Through these libraries, I may fairly claim to represent a majority of the reading public in the United States.

I am here to protest against any curtailment of the privilege of duty-free importation which these institutions have enjoyed for so many years. I am here to advocate the inclusion in any bill you may recommend of a clause or paragraph similar to that in the existing law, allowing of duty-free importation of printed matter for the use of such libraries, educational institutions, and societies, and would suggest, if any amendment is made of existing law, such amendment should be in the line of extending the privilege rather than of curtailing it.

There are two reasons why I urge your committee to this action. The first is fundamental. It is because such action as I suggest is for the good of the whole people of the United States; the institutions to be benefited are such as have been established solely for the intellectual uplifting of our race; they are not institutions conducted for commercial profit, but, on the contrary, are often hampered for funds and their usefulness impaired by lack of financial resources. Any help that can be given to them by this Government is helping the education of the citizen, on whose intelligence our prosperity as a nation and a republic must depend.

And, statements to the contrary notwithstanding, the loss of revenue to the Government is slight compared with the benefit conferred. The total imports of books and other printed matter into the ports of the United States during the fiscal year ended July 30 was valued at $6,541,309, and of this material, $3,379,182 was imported free of duty. The material allowed free entry is of three classes. First, books wholly in foreign languages; second, books in English which have been printed twenty years; third, books imported for the use of the United States, the Library of Congress, and for use by libraries, educational institutions, and societies of a literary and scientific character. It is my opinion that the importation of books in foreign languages and of books printed previous to 1888 make up 90 per cent of the total of duty-free importations. I may be wrong, but that is my impression after fifteen years' experience. I can confidently say that the total importation of new books in English by libraries does not exceed a quarter million dollars per year. On these, the duty would amount to about $62,500.

Now, as to the protection for the American workman, for we all want to protect him, if we do no great wrong to other interests.

Of the total imports of books during the past fiscal year, $3,379,182 were admitted free of duty. Under the existing law, three classes of books may be imported duty free: Books in foreign languages, books which have been printed twenty years, books for libraries and educational institutions. Neither of the first two classes would naturally be printed to any great extent by American workmen, and there would, from the protective standpoint, be no reason for putting a duty on them. Of books printed in the English language since 1888, libraries and public institutions are the sole duty-free importers. I do not believe, after fifteen years' experience, that of these over a quarter of million dollars' worth are imported every year. Of these, from their very nature, few would be reprinted in this country. I do not believe that $100,000 worth would be so reprinted. The cost of manufacturing a book is about 20 per cent of its net selling price, and the cost of the labor involved is little more than 5 per cent.

According to the census of 1905 (Bulletin 79, published in 1907), the total product of the book and job printing establishments in this country was $233,230,842. The total importations were $6,451,309, or 2.76 per cent of the total books in the country. The duty-free importations were about 1.4 per cent of the total. The wages paid for the production of these articles in the United States were $49,061,030, or about 20 per cent of the value of the printed article. The wage cost of the imported article, if printed in the United States, therefore, would on this basis be 20 per cent of the cost of the manufacture, which is about 25 per cent of the publisher's wholesale price, or would be 5 per cent of the importation value. On the duty-free importations it would be $168,759, whereas the duty, if paid, would be $843,795. In other words, our friends the printers are asking the public institutions of this country to tax themselves $25 for every $5 of protection. As I have already pointed out to you, public libraries are importing only about a quarter of a million dollars of English books currently printed, and of these only $100,000 worth would probably be printed in this country. These would cost to manufacture $25,000, and the wage-earners' share of this would be $5,000. It is to afford this protection that you are asked to tax the educational institutions of this country.

Who gets the protection if the printer, binder, and color printer does not? Let me point out that the duty of 25 per cent is greater than the cost of manufacture of the book in this country. It is over 100 per cent of the cost of manufacture. Who is protected? As usual, the middleman. The publisher pays only 2 or 3 per cent of his selling price in greater wages for American workmen, and wishes to pocket the other 20 or more per cent himself.

As I have above stated, the duty that would be levied on new English books imported by libraries would amount, on those books that would be reprinted in this country, to $25,000. Were this the only result of abolishing the privilege of free entry, I should be less insistent on having that privilege retained. But it is the smallest part of the result.

The true inwardness of the arguments for doing away with free importation lies in an attempt on the part of a few firms in New York City to gain for themselves an absolute control of the price at

which a book may be sold or imported. I hesitate to use your time to explain a history of this attempt, but it is necessary to understand the real reason back of the attack on free importation.

I shall therefore read you certain documents which are pertinent. I am quoting from a decision of Justice Dowlin of the supreme court of the State of New York, rendered November 19, 1907, in the case of Isidor Straus, and another against American Publishers' Association and others. I am reading the findings of the law.

1. That the agreements and resolutions of the two associations (The American Publishers' Association and The American Booksellers' Association) and their respective members were intended to and did prevent competition in the supply of books, copyrighted and uncopyrighted, from the 1st day of May, 1901, to and including the 1st day of April, 1904.

2. That such agreements and resolutions were unlawful and contrary to the laws of 1899, chapter 690, so far as they related to uncopyrighted books.

3. That such agreements and resolutions of the two associations and their respective members, so far as they related to uncopyrighted books, constituted an unlawful agreement, arrangement, and combination whereby a monopoly in the manufacture, production, and sale in this State of an article or commodity of common use was or may have been created, established, and maintained.

The American Publishers' Association and the American Booksellers' Association, controlling over 90 per cent of the trade in books, therefore, were engaged for three years in an unlawful combination to control the price of a commodity.

It will be noted that copyrighted books are excepted from this decision. But in this particular we have a final opinion. The case of Bobbs-Merrill versus Straus was decided by the Supreme Court of the United States during the present year. It hinged on the right to control prices of copyright books, and it was in effect decided that the copyright laws gave no such right.

For two years the publishers have sought to have introduced in a new copyright bill such phraseology as will confirm them absolutely in their control of prices. They have sought to prohibit libraries from importing foreign editions of books copyrighted in this country; they invented many combinations of words to effect this; but they have signally failed to convince the committees on patents that such action was wise.

Now, when they are not able to accomplish the result through the copyright committee, they ask you to enact legislation giving this monopoly to them. They have successively used the retail bookseller and the author as a catspaw; now it is the printer.

They wish to make us pay duty because we have been able to prevent the increase in the price of books by the competition of English editions. Of one of these houses, and one of the most prominent, the majority of the books they sell are noncopyrighted books, printed in England, and having a new title-page with a New York imprint. I am credibly informed that these books are imported in sheets and the duty paid only on the manufactured value in this form, i. e., on a book to be sold at $2 the invoice value is only 16 cents, the duty 4 cents, or only 2 per cent of the publisher's selling price.

I have yet to learn that the printers or the author benefit by any increase of price. Indeed, I am credibly informed that the chief publishing houses of New York City are now nonunion shops, and that the publishers with whom some of us have had to do are the most strenuous fighters of the unions. I have yet to learn that as a

result of this system the retail dealers in books achieved sudden wealth. Almost any dealer will tell you that there is little money in the new book business.

Now, you are asked to curtail our privilege of importation, not that the American workman can get more work or more wages, not that the author may receive greater remuneration for his work, but that a small group of publishers in New York City may be able to raise the price of books, most of them books first published in England, and the public libraries must be at their mercy.

It has been repeatedly stated in the public press and in hearings before committees of Congress that duty-free importation of books for public libraries was injected into the international copyright bill of 1891 during the very last hours of the session. If you will examine the edition of the Revised Statutes of the United States printed in 1878 you will find this provision in the free list under section 2505. I hope when I file papers with this committee to show that it was adopted much earlier, although I suppose your committee have this information already.

This group of publishers has made attempts to gain the control of prices through suits in the courts of the United States; they failed. They tried and are trying to convince the Committee on Patents of the Senate and House that control should be given by prohibition of importation; they have failed; now they come to you with a proposition to tax our educational institutions for their benefit. I am confident you will not listen to them. I am confident that you will support us in our contention.

DANIEL S. BRASSIL, 41 ELIZABETH STREET, NEW YORK CITY, REPRESENTING THE EMPLOYING BOOKBINDERS' ASSOCIATION, ASKS PROTECTION FOR BOOKBINDERS.

SATURDAY, *November 21, 1908.*

Mr. BRASSIL. Mr. Chairman and gentlemen, I wish to inform you that I represent the Employing Bookbinders' Association of New York. It is an organization that consists of nearly all the large binders of the city and many of the small ones, and we come before you to ask that you rectify a few clauses that are, to our minds, now wrong; that is, by amending sections 501, 502, and 503, and either amending section 403 or making a new paragraph.

I also wish to state that I do not conduct an extra bindery. I am what is known as an "edition binder," and I am therefore making this plea for no selfish reasons, but for the protection of a branch of the trade that is fast dying out.

Mr. HILL. What paragraphs do you want amended?

Mr. BRASSIL. Paragraph 501; that is, the free list.

Mr. HILL. Yes.

Mr. BRASSIL. Five hundred and two and 503; and we want to amend section 403 or make a new paragraph. Some few years ago it could honestly be said that the art of bookbinding, extra binding, was growing in this country, and book collectors knew that it was possible to get a book bound as well here as it could be done in Europe, and they were giving orders to the American binder and the American binder was beginning to show progress. A number of the different binders

apprenticed boys and they had grown and were acquiring a knowledge of the trade. They also had employed men who came from other countries, notably England and Scotland and Germany, and were getting the benefit of their knowledge in the artistic binding. A few months ago, during the investigation of the copyright bill, Mr. George Hayden Putnam came before the committee on the copyright matter and made the statement that it was necessary for American publishers to send abroad when they wanted fine bindings; that it was practically impossible to get work done as well in this country as it was on the other side. That statement is not literally true, but it is fast becoming so, and it is only a question of time when it will be if the present tariff measure is allowed to remain as it is now. In the city of New York, taking into calculation all the towns and cities that now comprise the greater city, the population increased from 3,000,000 in 1892 to 4,500,000, estimated, at the present time, and during that same period the art of extra binding has not increased. The actual facts are that of 8 binders who started in business since 1900, all of them have made failures, and two who were in business prior to 1900 have failed, showing that the art is fast dying out. On a visit made a few years ago by one of the binders of New York City to London he visited a bindery conducted by Revere & Son and there he found employed 24 finishers.

The CHAIRMAN. What you want added to paragraph 501 is that books that have been printed and bound more than twenty years can not be rebound abroad and sent back into the United States, is it not?

Mr. BRASSIL. That is one of the things I want.

The CHAIRMAN. That is what you want added to paragraph 501?

Mr. BRASSIL. Yes.

The CHAIRMAN. That they must have been printed and bound more than twenty years at the date of importation when used by public libraries?

Mr. BRASSIL. Not for public libraries at all.

Mr. CLARK. What difference does the age of the book make?

Mr. BRASSIL. What difference does the age make?

Mr. CLARK. Yes; to the man who wants to use the book?

Mr. BRASSIL. We have no objection to a book being brought in here that is twenty years of age, bound. We have no objection to the age of a book.

The CHAIRMAN. It does not make any difference to the man who uses the book, but you do think it makes a difference to the men who want to bind books in this country?

Mr. BRASSIL. We think that a man may bring books into this country fifty or a hundred years old, but if he brings in those books and then sends them over to England or France and has them rebound and brought back here free, depriving the American laborer of the work he should have, that is wrong.

Mr. CLARK. What does a man want to do that for?

Mr. BRASSIL. I was coming to that a little later on in this discussion.

Mr. CLARK. I would like to have you explain that.

Mr. BRASSIL. I will get around to it, if you do not mind, later. I want to tell you, however, that in the city of London, where one of the large binders was doing considerable work for American publishers, this New York binder found that he had 24 finishers at work,

working overtime on work that was intended for the American public. It is safe to say that there were not 24 finishers employed at that time by all the extra binders of New York City.

Mr. HILL. Will you not kindly, for my personal benefit, state precisely what changes you want, and then make your argument later?

Mr. BRASSIL. Yes; I will do anything. I will do that gladly. The amendments I propose are as follows:

Section 501, by inserting the words "and bound" after the word "printed" making it read, "which shall have been printed and bound more than twenty years at date of importation."

Mr. HILL. That is all right. Now give me the next one.

Mr. CLARK. Now, Mr. Witness, suppose you take a brand new book and rip the binding off of it, and then take a book that is more than twenty years old and rip the binding off, and suppose the man that owned both books wanted the same kind of bindings on them, what difference would it make about the age of the book?

Mr. BRASSIL. If those two books are bound in the United States, we have no objection to it; but we do desire that a man should not be allowed to send a book abroad for rebinding and have it come in free, because the sheets, the inside, happened to be 20 years old. The new book, the new sheets that you speak of, would go over and come back and pay 25 per cent duty. Why should not the old?

Mr. CLARK. Why should either one of them?

Mr. BRASSIL. When Congress passed this law——

Mr. CLARK. Why should either one? It is a tax on knowledge and intelligence.

Mr. BRASSIL. No, sir; it is not a tax on knowledge and intelligence.

Mr. CLARK. Let me ask you one thing; it is just as easy to ask it here as it is when you get further along.

Mr. BRASSIL. Yes, sir.

Mr. CLARK. All these fine bindings you speak of, extraordinarily fine bindings, are for a lot of fellows that do not care a thing about the inside of the book, but who want them simply for the looks, to put them in their bookcases. A man that really uses books wants simply a substantial binding on them, and what he wants is good muslin or sheep, or something of that sort.

Mr. BRASSIL. But why should not that man who wants to put a book on his book shelves and show it to his friends and have them admire it pay for the binding of it in America?

Mr. CLARK. He should.

Mr. BRASSIL. That is all I want.

Mr. CLARK. And there is no reason why he should not be made to pay and read the books, too.

Mr. BRASSIL. Yes. If it is not taking too much of the time of the committee, I would like to tell you a little instance that shows what people with money will do.

Mr. HILL. Will you not give us the rest of your suggested amendments?

Mr. BRASSIL. Yes, sir. I will give you all of them:

Section 501, by inserting the words "and bound," after the word "printed," making it read, "which shall have been printed and bound more than twenty years at date of importation.

Amend section 502 by inserting, after the word "pamphlets," "bound in cloth or paper covers."

Amend section 503 by inserting, after the word "books," "not bound wholly or in part in leather."

Amend section 403 by making a new paragraph to read as follows: "Books bound wholly or in part in leather, not including blank books, fifty per centum ad valorem." And have this paragraph precede section 403.

Mr. HILL. Now I understand it.

Mr. BRASSIL. Can I go on and tell this little incident for the benefit of our friend, Congressman Clark? A large publisher of New York called me up in my office and asked me what I would charge for cutting 45 books that were bound in leather 2½ inches from the back. That meant, the books being 12mo., that they were to be cut down right in the center, and the books were bound in half levant, and they were to be cut through the center like that [indicating]. It broke my heart to do it, and why the woman could not have had dummies made instead of having them cut in that way in order to go into a bookcase I do not know. That shows what people will do when it comes to art binding, when they have the money.

Mr. UNDERWOOD. Do you mean that they wanted you to cut the whole book half in two?

Mr. BRASSIL. I mean that that lady asked me to cut that book in two, 2½ inches from the back. I did it, no matter how much I disliked it. I cut those books down through the center. There were 45 volumes bound by Houghton, Mifflin & Co. They were Holmes and Longfellow.

Mr. UNDERWOOD. Why did they not have the shelves enlarged?

Mr. BRASSIL. I do not know. The shelf was too narrow, I suppose. This woman had some money.

Mr. CLARK. What she needed was an alienist.

Mr. BRASSIL. Yes, or to be put in an asylum, one or the other. Section 501 admits, free of duty, bound or unbound, books that have been printed more than twenty years. I have no doubt, and I believe you gentlemen will bear me out, that when that law was made, by a book printed more than twenty years Congress meant the book printed and bound, realizing that to make a book it was necessary to have the book bound, else it would not be a book bound. A thing is not a "book bound" unless it has a cover on it. If it is a book unbound, it is specifically mentioned in the paragraph. A "book bound," which is also mentioned in the section, meant a book with a cover. Therefore when the court, with all due respect to their decision, decided in 1902 that a book, bound—it did not make any difference whether it had a rebinding or not—was intended to come in free according to the law, we think that was unjust. A book when coming in here twenty years old, including the cover, we have no objection to at all. We do not object to having books come in in that way. We know they do come in in thousands. But we do object to having publishers send over their agents to the other side, and having them collect sets or old copies of books, and sending them to London, or Paris, or some other foreign city to be rebound in extra bindings and then sent to this country. Why do we object to that? As I say, the American workman, and that question has been thrashed out here so often, receives more money than the foreigner. Our American labor scale, for a finisher, for instance, calls for $24 a week. In other branches they get $18 per week. We pay in this

particular branch from $20 to $30 per week, and on the other side the men working at the same grade are receiving from $7.50 to $12 per week. I believe in making that statement that I have allowed in favor of the foreigner. I believe, because I have been told, not having personal experience in the matter, that a manager in a large bindery in London received $11.50, and that he was the only one being paid that salary, whereas I am allowing that the foreigner receives $12, a high-priced man. This makes a difference of little over twice the amount, and as the American is able to do more work than the foreigner, we claim that there is actually twice the difference. A large majority of the books that are bound by the American art binder are bound in imported leathers. For instance, that book there is bound in imported leather. On that imported leather he is compelled to pay a duty of 20 per cent. The papers that go on the inside of that book he pays a duty on of 2½ cents a pound and 15 per cent, and on some paper 2½ cents a pound and 35 per cent. On manufactured silk that also goes into the manufacture of books of that kind he pays a duty of 50 per cent.

Mr. CLARK. How much?

Mr. BRASSIL. On the manufactured silk, under section 391.

Mr. CLARK. Suppose this committee and Congress should take a notion to cut down all this tariff one-half, would you still want this raise?

Mr. BRASSIL. Yes, sir. That is unkind of me, is it not? You say cut it down one-half?

Mr. CLARK. I was just putting a hypothetical case. I do not think it is going to happen.

Mr. BRASSIL. I think when I finish you will agree with me in what I am going to say. All these items go into the manufacture of an extra-bound book. The American is obliged to pay duty on these articles, whereas if a book has been bound by a foreigner on the other side and it comes to this port, it is allowed to enter this country without paying duty. The American workman is being taxed for the material that goes into the manufacture of the book. The book comes to our door, and it is allowed to come in free. We maintain that that is not right; that is not fair to the American workman. We maintain that that is an injustice to the American workman; that on account of his being an American he is being taxed. The foreigner sends the book in free. We request, therefore, that you amend that section to put the American in a position where he can be able to compete with the foreigner, not only by removing the duty that is on this material, because that would not be sufficient, as the wages are double in America what they are on the other side——

Mr. GAINES. A former witness here indicated that it was not a question of price, but said that he could not get the American bookbinder to understand what he meant. How about that?

Mr. BRASSIL. I, unfortunately, was not present; but I read Mr. George Hayden Putnam's testimony on the copyright bill, and while his intimation is that it is necessary to send abroad for fine bindings, there is a sample done by a New York binder which you can look at for yourselves.

(Mr. Brassil here exhibited the book referred to to the committee.)

Ordinarily at book sales a few years ago we would find advertised the name of Macdonald, or some other binder, as having bound

a particular book that was for sale at the book sale that was to take place. I personally have seen books three copies of which cost a thousand dollars each for binding—copies of Evangeline. The set of 130 volumes of Dickens that was purchased by J. Pierpont Morgan for $130,000 was bound by an American. So that it is not a question of the American being able to do the work to-day. I say we have some men here who are teachers to-day. But if we continue to allow books to come in free, the workmen are being lost and we are going to continue to lose them. They are seeking employment in other lines. I was talking a short time ago with a representative of the union. He informed me that during the past year his average wage was $10 per week. I talked with an employer, an exceptional art binder, and he told me that that man was one of the best men in his line, that he was an honest, competent workman, and he averaged $10 per week. I also learned that since 1900 one-half of the binders, the men who actually perform the fine work, have been dropped from the union. They have sought employment along other lines. The statement that I have made, that of eight men who started in business since 1900 all of them made failures, shows that. Two men in business prior to that time have made failures. That is additional proof that the art is dying out. Why do we need protection? You charge all these men higher prices, on account of the tariff, for what they use. This country is recognized as a protectionist country, and the present tariff law was promulgated principally for the protection of the American workmen, and why, then, should you put in these clauses prohibiting men from getting employment when you compel them to pay protection prices on the necessities of life? You should not do that. You should not put on the free list sufficient in books alone to amount to $3,000,000 a year. You tax these men who work, who are going out and trying to support their families, on everything they use. How can they pay these taxes, and still you put on this vast amount on the free list?

Mr. CLARK. If this additional tariff was put on, would the owners of these bookbinderies be willing to give all the tariff to increase the wages of the laborers?

Mr. BRASSIL. You have been asked so often to repeat questions that I do not like to ask you.

Mr. CLARK. If there is an additional tariff levied, would these proprietors of the bookbinderies be willing to give the entire increase of the tariff to the laborers as wages?

Mr. BRASSIL. The increase?

Mr. CLARK. Yes.

Mr. BRASSIL. The employees are already being paid 100 per cent more than that received by the foreigner in the same class, and as we are asking but 50 per cent, the laborer is and has been receiving the full increase for which we ask, and it is because of this that we are unable to compete with the foreigner. If it were not for the fact that we are paying more than double the wages we would not be obliged to ask that you make a new paragraph which will protect us on books that will not be allowed to come in free under section 501 if you amend the present section by inserting the words "and bound" after the word "printed;" not under section 502, by inserting "bound in cloth or paper covers" after the word "pamphlets;" nor under

section 503, by inserting the words "not bound wholly or in part in leather," after the word "books."

Mr. CLARK. This tariff, you say, is for the benefit of the laborer.

Mr. BRASSIL. We are not willing to give the entire increase of the tariff.

Mr. CLARK. If it is a question of wages, why is not the laborer entitled to the entire increase in the tariff?

Mr. BRASSIL. Because to-day, if the binder was to give all the increased tariff to the laborer, he would be conducting his business at a loss, the same as he would be to-day if he was binding at the present prices. We must divide. We will give some of the benefit that is derived from the increase in the way of giving wages to the men. A man that is earning $10 a week, it would put his wages up to $20. We would give him work so that he could earn $20 and $27 instead of $10.

Mr. CLARK. Why did he only earn $10 a week?

Mr. BRASSIL. Because he did not have the work to perform. He would earn from $20 to $27 if he had the work.

Mr. CLARK. I do not know what your theory is, but your statement is that the reason you want this done is to increase the wages of American laborers. If that is the reason for the increase in the tariff, the laborer ought to get the whole of the tariff and it ought not to go to the proprietor of the establishment at all.

Mr. BRASSIL. You have put that in such a way that it would be misleading if I were to make a statement and answer yes or no; but in giving an explanation I can answer correctly so that it would not be misunderstood. I will not give all of the increase to the men who work. The increase would enable me to give the men better pay than they are getting to-day, inasmuch as instead of loafing part of their time they would have steady work.

Mr. CLARK. It would not cost you anything, though, would it?

Mr. BRASSIL. Wait a while, now. I must conduct my business. A portion of that must go to the expense of conducting that business. If I perform a thousand dollars' worth of work it costs me a certain percentage, and if I perform ten thousand dollars' worth of work it costs me practically ten times as much as for one thousand dollars' worth. Therefore a portion would go to the operating of the business and a portion to the wages, and a portion of it would go to the employer.

Mr. FORDNEY. Then you would have your investment in the machinery.

Mr. BRASSIL. There is not much investment in the way of machinery. I fancy that to-day very few art binders have $5,000 invested in their plants. The principal thing is the tools, the fine hand tools.

Mr. HILL. You are entitled to an increase as much as the man who works for you, are you not?

Mr. BRASSIL. I do not know how that is. If I am conducting a business; yes, sir.

Mr. DALZELL. This purchase you speak of by Mr. Morgan, was the value of that purchase in the binding?

Mr. BRASSIL. No, sir.

Mr. DALZELL. What was it in?

Mr. BRASSIL. The value of that was in the illustrations, the illuminating and the binding. The binding probably cost $150 per volume.

Mr. DALZELL. Per volume?

Mr. BRASSIL. Yes.

Mr. DALZELL. That was done in the United States?

Mr. BRASSIL. Yes, sir; in New York.

Mr. GAINES. Are these covers, such as this upon this book you have shown us, special designs, or are those designs conventionalized?

Mr. BRASSIL. That is a special design. At the suggestion of Mr. Little I am going to say to you what I was going to say later on. Under section 403 I was going to bring up the question as to why I would want an increase on the duty. There was one man who spent on the elaborating of that binding nine days. He received $27 per week. That is practically $40 that was paid for the actual labor on that cover.

As I say, on this book that man spent that much time—nine days—for which he was paid practically $40. He worked nine days at $27 per week. If that book were bound on the other side, as it is practically all hand work it is reasonable to assume that the Englishman—assuming it was bound in England—would bind it as quickly as it is bound in America, and as the Englishman receives at the extreme $12 per week, he would bind it for a little less than $20. That book was bound for $50. The foreigner can sell it to an American for $30. The American is compelled to ask $50 for it. The difference is $20. The American publisher gets the foreigner to bind the book at the price of $30, and not the American at the price of $50. That is a practical demonstration showing the actual cost. There you have the time that was actually spent in elaborating that book. You will notice that it is all inlaid. It is really a beautiful piece of work, and it is work of that kind with which we come in competition.

Mr. UNDERWOOD. About your wage scale. Who fixes your wage scale?

Mr. BRASSIL. In the extra binding, unfortunately—and I say unfortunately advisedly, too—we adopt the union scale and pay the union prices.

Mr. UNDERWOOD. Is that a reasonable scale?

Mr. BRASSIL. We pay more than the scale for any number of people employed. We have to pay the minimum price to people who are sometimes not worth the minimum price. In other words, for an artist, for a good man, a binder will not hesitate to pay more than the scale.

Mr. UNDERWOOD. Then, you think the scale is a reasonable scale, considering the cost of living in this country?

Mr. BRASSIL. Yes.

Mr. UNDERWOOD. And if you had enough work for these men to do under that scale, continuous employment, how much would a man make a month?

Mr. BRASSIL. As they would be paid from $18 to $30 per week, to multiply it is a simple matter.

Mr. UNDERWOOD. From $18 to $30 a week?

Mr. BRASSIL. Yes; $18 to $30.

Mr. UNDERWOOD. On the scale; that is according to the class of work they did?

Mr. BRASSIL. Yes, sir.

Mr. UNDERWOOD. If they had full time?

Mr. BRASSIL. If they had full time; yes, sir.

Mr. UNDERWOOD. The English scale is about $7?

Mr. BRASSIL. $7.50 to $12 a week; and I have taken the extreme on that $12.

Mr. UNDERWOOD. I just wanted to understand about that.

Mr. BRASSIL. Yes. So much in reference to section 501. Section 502 admits books or pamphlets printed in foreign languages free. We have no objection to books coming in here bound in cloth or paper covers. We realize that any number of poor people have immigrated to this country and are making their homes here, and we do not wish to deprive them of books cheaply obtained, printed in their own language, but we do object to having books come in bound in extra bindings, bound in leather. It is the man who sends abroad and who brings them in with him, a connoisseur, and wants something for his library who does that. There has been during the past ten years a growing number of French books imported, bound by the foreign binder, and that, we feel, you ought to give us protection against. It is a reasonable request. When we say that we are willing to have the books bound in cloth and paper come in free, you ought to protect us on the leather binding.

Under section 503, libraries, colleges, or any societies established for philosophical, educational, scientific, or literary purposes are allowed to enter two copies of a book in any one invoice free. When Congress passed this law it is safe to assume that they intended that libraries should be allowed to bring in two copies of any book that was published abroad for the purpose of giving general education to the people who are readers; but they did not intend that the library should be allowed to send to Europe books that needed rebinding, to be rebound, which they are doing to the extent of thousands of volumes every year. They are depriving workmen, from whom they derive their support in the way of taxes, of the means of earning their livelihood, by sending these books abroad. To my mind no public institution should be allowed to send work abroad for binding, depriving the American laborer of a means of earning a livelihood and maintaining himself. Public institutions are maintained by the community in which they exist, and the people of that community should be the ones to derive a support when they have any work to give out.

Mr. CLARK. Are there any libraries that are silly enough to send their books over there to have them bound at those extravagant figures?

Mr. BRASSIL. Not at those extravagant figures.

Mr. CLARK. Public libraries.

Mr. BRASSIL. Public libraries are sending books over to be bound, and because they have the privilege of bringing in two copies in any invoice free, they will send thousands of copies in one shipment, but only two of one title, and in the aggregate it amounts to thousands of volumes, although of a single title they have only two copies.

Mr. CLARK. Now, they do that so that it will save part of the cost of the labor. Do you suppose the Congressional Library is doing that?

Mr. BRASSIL. I do not believe it is. No, sir; I do not believe it is. I believe there is a good little establishment over here where they do some nice work; and they pay good prices, too.

Mr. FORDNEY. I understood you to say that that book cost $50—that the work on it cost $50?

Mr. BRASSIL. No, sir; the finishing alone, the elaborating, cost $40.

Mr. FORDNEY. What would it cost abroad? Have you any idea?

Mr. BRASSIL. Yes, sir; $20. I have specified that.

Mr. GAINES. Are volumes like that duplicated, or is there only one of those?

Mr. BRASSIL. That is one.

Mr. GAINES. That is—the work on that is put on something else?

Mr. BRASSIL. No, sir. An artist would design that, for instance. The binder may have an individuality about certain things, and you might be able to read his style of binding; and if you were to see one of his books among a dozen others, you would probably be able to pick it out; but there would be no two copies alike.

Mr. FORDNEY. Did I understand you to say that they could send only two books of one kind over?

Mr. BRASSIL. They can send only two copies of one book; but they can send, in the aggregate, thousands of volumes on one shipment.

Mr. FORDNEY. And they keep sending, time after time, those books until they get them all bound?

Mr. BRASSIL. Yes.

Mr. HILL. Do you mean to say that the educational institutions and colleges make a practice of sending their books abroad and having them bound, on the condition that they only bring two of a kind in a large shipment?

Mr. BRASSIL. Yes. I want to tell you this: In New York City to-day there is a binder who has an establishment in Bath, England, and he is getting books from libraries in New England and throughout this country, and shipping those books to England by the load—only two copies of a title in a load—and when he binds them over there he brings them back here, and they are admitted free.

The CHAIRMAN. Are there any further questions?

Mr. HILL. I should say that those three little words that are in the act—"in good faith"—were being violated, and those people were evading the customs.

Mr. BRASSIL. I have called upon the collector of the port of New York, and have called upon the appraisers in New York, and tried to show them where it was wrong, but they said "We are living by the spirit of the law. There is the law, and we can not do anything different."

Mr. CLARK. If we put in books bound in paper, muslin, and leather—plain sheep, for instance—and fix it so there would be no juggling about it—or bound in buckram—on the free list, would that satisfy you?

Mr. BRASSIL. Yes, sir; that is what I said here in my amendment.

Mr. CLARK. I know; but you confined it to those bound in paper.

Mr. BRASSIL. No, sir. My amendment was to insert after the word "pamphlets" the words "bound in cloth or paper covers." That takes in books bound in any style of cloth, buckram, and muslin. Then come pamphlets.

Mr. CLARK. Yes; I understand. Take plain sheep, for instance.

Mr. BRASSIL. Plain sheep? I believe you have a very small portion of books that come in foreign languages bound in plain sheep.

Mr. CLARK. Foreign languages?

Mr. BRASSIL. This is referring to foreign languages.

Mr. CLARK. Do you not think the tariff ought to be taken off of all books?

Mr. BRASSIL. No, sir; I do not.

Mr. CLARK. Except these fancy books, which would be used by a very small class of very rich people who care more for the bindings than the books? I am talking about the books that book lovers and book users want, the kind of books that the average citizen would read—a good copy of Dickens or Scott or Smollett, or any of the rest of them—bound in plain sheep. Using the word "plain," I do not know the technicalities of the bookbinding business, but I know that that would be a combination of words that a revenue collector ought to be able to construe.

Mr. BRASSIL. The words "bound in plain sheep" eliminate so many other different styles that the collector would only be placing them under one specific thing.

Mr. CLARK. What I was trying to get at was to get cheap books for the bulk of the American people.

Mr. BRASSIL. Yes.

Mr. CLARK. That is, I was just making a compromise proposition.

Mr. BRASSIL. We have no objection to your bringing in the books that are bound in that way for the poor people and the working people.

Mr. CLARK. I am a workingman, and I like to have good books myself. I would not spend money on fancy covers, though.

Mr. BRASSIL. Yes; and being a workingman, is not a well-bound cloth book good enough for an ordinary library?

Mr. CLARK. Yes; for certain classes of books. My experience is that the ordinary sized volume is just as good bound in the ordinary cloth binding as it is in leather.

Mr. BRASSIL. Yes.

Mr. CLARK. But if you take a very heavy book, I do not think it is.

Mr. BRASSIL. Bind it in buckram and it will be.

Mr. CLARK. Perhaps buckram may be as good as leather.

Mr. BRASSIL. Yes.

Mr. CLARK. I have noted this. You take these encyclopedias, for instance, and I have noticed always that where they were bound in cloth they were soon shaken out of shape. I do not believe that a book as big as Webster's Dictionary would be worth carrying home, hardly, if it was bound in cloth.

Mr. BRASSIL. The style in cover is on the outside. That did not add one iota of strength to the inside of that book. That was the manner in which the book was bound on the inside of the cover, not the outside at all. If that cloth or leather book had been properly handled, and if the publishers had paid the proper price for it, it would have been bound strong enough so that it would not wobble. The trouble is with the binding on the inside.

The CHAIRMAN. That is all.

Mr. BRASSIL. No, sir; that is not all for me.

The CHAIRMAN. Well, it is getting to be laughable.

Mr. BRASSIL. No, sir; it is not laughable for me at all.

The CHAIRMAN. These conversations are becoming laughable.

Mr. BRASSIL. That is not all for me. I have spoken about sections 501, 502, and 503. Now I want to talk on section 403, these books, that are charged for at the rate of 25 per cent ad valorem. We ask that you amend that section by making a new paragraph, making it read "Books bound wholly or in part in leather, not including blank books, fifty per centum ad valorem."

Mr. GRIGGS. What is the duty now?

Mr. BRASSIL. Twenty-five per cent ad valorem. We are giving freedom to all classes of books except the extra-bound book, the book that is bound in leather, wholly or in part. We are not asking for a duty or an increase on blank books or any kind of printed matter that is bound in paper, but when it comes to those bound wholly or in part in leather, we are asking for that, and in behalf of the American workingman and in behalf of an industry that is fast dying out in this country. We feel that on account of the competition which we are having publishers are sending annually thousands and thousands of books abroad to be bound and that has been increasing yearly. They have been sending them to Europe and having them bound over there and brought in here, and they do not give the benefit of the difference in price to the buyer. No; they keep that as additional profits, and they are depriving the American workmen of his means of livelihood. They are compelling men to work half the time instead of all the time.

I have here an illustration. I want to have you gentlemen look at those books [exhibiting two books to the committee]. One of those was bound by an English concern and the other was bound by an American to imitate or match the English-bound book. The English book was bound for $1.08. The American was obliged to ask $1.75. The American's material cost 40 cents and the American's labor cost 80 cents. The material in that averaged 30 per cent duty, which the American had to pay. It consequently put the Englishman's book at a price for material of 30 cents, and his labor being only half of the price of the American's labor, it put it at 40 cents, so that for 70 cents he was able to get his material and his labor on a book on which the American was obliged to pay 40 cents for the material and 80 cents for the labor, or $1.20. That is practically a difference of 50 cents. The American could bind the book for $1.75 and the Englishman for $1.08. Now, are we justified in asking for protection? I maintain we are, on that section, and I sincerely hope, gentlemen, that after this little talk and the demonstration which I have given to you, you will comply with our request.

Mr. GRIGGS. Did you mean us to understand that one of these books was bound in America?

Mr. BRASSIL. Yes, sir; one of them was bound in America.

Mr. GRIGGS. Did they take the name of some European firm?

Mr. BRASSIL. No, sir; not at all.

Mr. UNDERWOOD. They are English books and you took the cover off of one of them and bound it here?

Mr. BRASSIL. Yes, sir.

GEORGE ROGERS, BROOKLYN, N. Y., REPRESENTING THE INTERNATIONAL BROTHERHOOD OF BOOKBINDERS, CLAIMS THAT BOOKBINDERS HAVE PRACTICALLY NO PROTECTION.

SATURDAY, *November 21, 1908.*

Mr. Chairman and gentlemen, I might say here that I represent the International Brotherhood of Bookbinders, as a bookbinder. I appear here in behalf of the International Brotherhood of Bookbinders to make objection to three clauses in the tariff. In one clause it says that books over twenty years old shall come in free of duty, in another that all books in foreign languages shall come in free of duty, and in another that all books for educational purposes shall come in free of duty. You see, Mr. Chairman, we have no protection at all in the bookbinding business. These three things cover almost everything. All books over twenty years old come in free, all books in foreign languages come in free, and all books for educational purposes come in free of duty. That is the law as it stands to-day. Mr. Chairman, I will take three or four classes of bindings that come under that clause. I am only talking of bookbinding and how it affects the bookbinders of the United States. Take, first, the extra bindings, as they are called in the term of the trade here, which are good, honest leather bindings. By looking back for probably twenty years we will find that there are not one-sixth of the men employed in that business that there were twenty years ago.

The industry is dying down because our book lovers, our book publishers, and our booksellers send their books to England and France to have them done there, not because they can not have them done in the United States, but because they can have them done there cheaper; and I would like to call the attention of the gentlemen to that. In the first place, leather imported into this country for leather bindings pays the duty of 20 per cent. Papers vary from 25 to 35 per cent; binders' boards 25 per cent. I would like to call your attention to this point, that we have almost got to have the leather from England. They get almost all the raw material from England, more or less, and from France. There is a class of books sent over and done in what they call art binding and brought into this country by connoisseurs which they claim can not be done here; but, gentlemen, they go up there to an American binder and they ask him, "Here, how much will you take for that?" and when he tells them the price they say, "Oh, I can get that done in London or Paris for half that." There is a speculation attached to this. These rare books are worth money, and the older they get the more valuable they get, which you will readily see.

Six years ago my organization had more than twice the number of members we have to-day. Our membership has fallen away 50 per cent on that class of work, and we find there is more of that work being sold in America to-day than ever there has been, right through from the Atlantic to the Pacific coast. This country is flooded with that class of work; and I question very much if the purchaser of that class of work receives any benefit from it. I am rather afraid that the foreign book seller or publisher puts the price up according to the American price. From the basis of our organization I want to say to you that our minimum wages in New York City are $18, $20,

and $24 a week. Those are our minimum wages in New York City. The minimum wages in London, according to the official report, are 35 shillings, and I can not give you the French wages officially, but I put it down at about 30 francs a week, and I am high when I say that. You can readily see that a book that it will take one hundred hours to bind in France or America will cost much less there. It takes one hundred hours in France and it will take one hundred hours here, or it will not take any more time here, and it will probably take less time. But think of the difference in wages.

Mr. UNDERWOOD. Were you born abroad?

Mr. ROGERS. Yes, sir.

Mr. UNDERWOOD. Were you educated in the business abroad?

Mr. ROGERS. Yes, sir.

Mr. UNDERWOOD. What is the difference in the cost of living in London and New York?

Mr. ROGERS. I beg pardon; did you say the cost of living?

Mr. UNDERWOOD. I asked, for men in your profession, what is the difference in the cost of living?

Mr. ROGERS. I have a room here which I could get for one-sixth as much there.

Mr. UNDERWOOD. I am trying to get at the basis of facts.

Mr. ROGERS. It is a long time since I lived there, and I probably could not give you what it is now. Everything is cheaper there than it is here.

Mr. UNDERWOOD. I understand that; but to live with the same degree of comfort that you have in New York, what would it cost you to live in London?

Mr. ROGERS. It takes all I can earn to keep me here, and I suppose it would do the same thing there.

Mr. UNDERWOOD. You mean if you got $18 a week in London it would not be worth any more there than here?

Mr. ROGERS. Oh, yes; but what I mean is, when I work for $18 or $20 in Brooklyn I use it all in living, and if I got 30 shillings in London I would have to use it all.

Mr. UNDERWOOD. Suppose they protected everything here?

Mr. ROGERS. Naturally wages would go up, and they would go up there, too.

Mr. UNDERWOOD. You are not interested in the citrus-fruit growers?

Mr. ROGERS. No, sir. I am interested in books.

Mr. UNDERWOOD. You do not care whether they have any protection or not?

Mr. ROGERS. Oh, yes, I do; I beg your pardon. I do not ask you gentlemen to take the duty off of raw material. I want to allow these people to have some protection, too; but I want you to give me some. I have absolutely none.

Mr. UNDERWOOD. If nobody else had any, would you want any?

Mr. ROGERS. No, sir. If you put me on a free-trade basis, where I can live cheaper, what is the difference to me? If I can live for $9 a week, I am as well off at $9 as at $18. I do not see any difference to me.

Mr. UNDERWOOD. I thought so. I did not know whether you were impressed with that or not.

Mr. ROGERS. But here is the point. We have French and English bookbinders in New York City, the finest trained binders, and they

have been a failure. They can not make a success of it right here, because the price has gone down. How can we compete with the French or English people in that work, who do not get half the wages?

Mr. UNDERWOOD. It is not your scale that makes it unprofitable, but it is the fact that you have not continuous work?

Mr. ROGERS. We have not any at all, hardly. It is a dying industry. Our organization has fallen off 50 per cent. You will find them in the cars, in the subway, as insurance agents, and everywhere, men that have been trained as mechanics, and are good ones, who have had to go out of the business because they could not get any work. You go around the city and look for work and you can not get any, and it has all gone abroad. You go down to these stores and see these books bound, and every one of them has a foreign binding on it. I saw lately, Mr. Chairman, a set of manuscript books. The manuscripts were all folio size, bound in London. That work could have been done just as well here, but it would have cost more. We admit that it would have cost more. By and by that work gets so that it is more valuable. Therefore it was a speculation on his part.

Mr. CLARK. About these connoisseurs you are talking about, is not a connoisseur of books a connoisseur of bookbinders?

Mr. ROGERS. Yes; of books and bookbinders.

Mr. CLARK. Those men care more for bindings than for books?

Mr. ROGERS. Yes, sir; some of them.

Mr. CLARK. Did you ever consider this philosophic proposition, that a certain tariff having been put on for the benefit of the laboring man, it all ought to go to the laboring man?

Mr. ROGERS. I do not understand.

Mr. CLARK. I say if a tariff is put on ostensibly for the benefit of the laboring man, ought not the laboring man to get the whole of that tariff?

Mr. ROGERS. Give us the tariff, and we will see.

Mr. CLARK. The question is if the tariff is levied for the benefit of the laborer, why should not the laborer get the tariff, all of it?

Mr. ROGERS. I will only answer you this way, that labor does not always get what it ought to get.

Mr. CLARK. That is what I think, too.

Mr. ROGERS. But if you give us the chance, possibly we will be able to make a little better bargain than we can make just now, if you give us protection.

Mr. CLARK. There are a whole lot of things which have a very high tariff on them, and the laborer does not get any more of that very high tariff than you get on this.

Mr. ROGERS. Probably; but we have none at all. We have nothing at all.

Mr. CLARK. I am trying to help you out.

Mr. ROGERS. Well, all right. We have no tariff, Mr. Chairman, that I can see, on that class of work. There we have the spectacle of booksellers importing bindings. They send all that work to England or France simply because they can get it done cheaper in London and Paris. I want to call your attention to this. Six years ago the Employers' Association of Paris got together and cut rates for America.

Mr. FORDNEY. If that duty was raised, would you expect that the labor would get its fair share of that increase?

Mr. ROGERS. Labor will fight for it.

Mr. FORDNEY. Do you think they would get it?

Mr. ROGERS. They will try awfully hard for it. I do not know whether we will get it.

Mr. CLARK. Do you think you would get it all?

Mr. ROGERS. No; I do not think we would, to be honest.

Mr. CLARK. But your share ought to be the whole thing.

Mr. ROGERS. If you could talk to my employer, you might convince him.

Mr. CLARK. I would like to get hold of all the employers and make that plea to them, and we might settle the tariff question for all time to come.

Mr. ROGERS. It is this way; there are hundreds of thousands of these bound books brought into this country daily and annually that are bound in England. I do not believe that the purchaser of one of those books gets the benefit of the price. I believe that the American bookseller and the American publisher charge on American basis.

Mr. Chairman, there are instances where they employ in one shop almost as many workmen as we have in the city of New York, because they can work one-half cheaper. But I will not detain you on these fine bindings. I would rather go along now to the educational part of it. I believe the gentlemen here to-day have been talking about the libraries. I would like to ask you gentlemen if you would consider every novel that may be published an educational work? In the libraries where I come from, you go in and you will get almost any novel that is published. All books can come in here free for educational purposes. The New York Library and the Brooklyn Library and the Newark Library and the Utica Library, and probably a dozen others, send their books abroad to be bound in England. Why do they do it? Can it not be done here? I claim, as a man with a little knowledge of the trade—more than thirty years' knowledge of it—that it can be done here as well as it can be done in any foreign country. But to come back to the first principle—cheapness. There is a firm in London binding books for the New York Library to-day that pays an average of $7.50 a week wages, and that binder gets the bulk of the work. It is sent right over here, shipped over here, brought back in cases from England, and distributed to the various libraries in the country that he works for. We have talked with that gentleman on behalf of the organization, and tried to get him to locate his whole plant in this country, and he said: "Gentlemen, as long as the law stands as it is, I will take the full advantage of it; but when the law is changed, I will change my plant." Give us some protection on that work, and we will make him do the work here, and we will get the work to do.

I do not wish to take up any more of your time, but I would like to make a plea to you to give us something on these three clauses. We do not want it for profit—we want it for living. It means the bread and butter to us and our children—that is all. But if this thing goes on, Mr. Chairman, in a few years this class of binding will be wiped out or destroyed.

I beg to call your attention to the extremely inconsistent and contradictory state of the tariff law affecting books and bookbinding.

Books in the English language that have been printed more than twenty years at date of importation, and books printed in languages other than English, are free of duty.

Books in the English language printed within twenty years previous to date of importation are chargeable with duty at rate of 25 per cent ad valorem.

However, such books, even though they are printed in English and within twenty years previous to date of importation, are free of duty if imported for educational purposes.

These three classes of exemptions—first, books in English over 20 years old; second, books in foreign languages; third, books for educational purposes—have opened wide the ports of the United States to floods of foreign bookbinding.

The first two mentioned exemptions bring here probably about 70 to 80 per cent of the product of Paris and London in the way of artistic bookbindings, and have been largely the means of building up the extensive and famous art binding businesses of those two cities, while, as a direct consequence, the United States can not boast of a single art bindery as such.

The third-mentioned exemption allows publishers, booksellers, and dealers to ship from foreign binderies into the United States, frequently and continually, thousands upon thousands of volumes of current literature free of duty, because they are bound for schools, educational institutions, and public libraries of this country.

The American bookbinder could cheerfully take the chances of foreign competition opened against him by the three classes of duty exemptions just referred to were it not for the fact that all of the materials used in the production of books, such as paper, glue, cloth, leather, and gold leaf are subject to a heavy duty, and for the additional fact that the cost of labor for bookbinding, like the cost of labor for all work in a duty-protected country, is increased by taxes on food, clothing, shelter, and transportation.

Under the present tariff arrangement the bookbinder in the United States must buy his materials and labor at protection prices and sell large and important classes of his product at prices determined by free trade.

Thus, the foreign bookbinder obtains not only the advantage of the three classes of duty exemptions before mentioned; he obtains an additional advantage, practically a bounty from the United States Government in the form of a duty on bookbinding materials used here, which means, in other words, that nearly all foreign-made art bindings, all school and public library books from abroad, though made up of dutiable materials, such as paper, cloth, leather, and gold leaf, are imported duty free, while the American products of the same class are increased in cost by the impost of a burdensome tax on their component materials.

Foreign bookbinding is fostered; home bookbinding is taxed, in some classes, almost to extinction.

Now, having placed before you the serious disabilities which the contradictory state of the tariff imposes upon the bookbinding industry of the United States of America, I wish to ask if you would

kindly give your favor and support to a measure purposed to be introduced in Congress which will remedy the evils referred to, and place the bookbinding industry on a commercial basis level with that of the other industries of this country, and also with the bookbinding industries of other countries.

STATEMENT OF GEORGE SULLIVAN, OF PHILADELPHIA, PA., WHO WISHES TARIFF ON BOOKS LEFT UNDISTURBED.

SATURDAY, *November 21, 1908.*

Mr. Chairman: I have a short brief here which I will not read. I will state that on behalf of the book-paper part of the industry—that is, the book manufacturers of the industry—we do not ask for any increase of the tariff, but we request that the tariff remain as it is, and the various statistics pertaining to that industry you will find in this brief. Of course, the question of wages to our employees is, as in the rest of these industries, the most vital and important part, and we feel the present tariff on book paper of 15 per cent is not an excessive one, but it is certainly a just and fair tariff and should remain as it is for the benefit of our industry. We feel that we should not be picked out or selected as the one industry in the country in which the tariff would be such that it would affect us in any way, but that we should have the same protection as every other industry. Our people are American citizens—that is, as far as we can possibly tell—and the vast number of them are such that they require the same consideration as others. There is a comparative wage scale that you will find in this brief between one of the leading mills on the other side and one of the leading mills on this side, and the value of our production during the last year—that is, the year 1907—amounted to $48,000,000. As a small illustration of the equity of the duty, I have here a volume which I have figured out, to illustrate just what a small thing it amounts to to the consumer. This book I purchased here this morning in Washington, and the method of figuring out you will find on this fly leaf, which shows that the duty on the paper in this book amounts to less than half a cent a copy to the consumer.

Mr. GAINES. What is the book?

Mr. SULLIVAN. This is just an ordinary novel, called "The Extreme Test," by Mrs. Reynolds.

Mr. GAINES. What did it cost you to buy it?

Mr. SULLIVAN. It cost $1.18 at a bookstore here in Washington. Of course the figures here are ample, because we have weighed the cover, including it in the weight, and of course the part that interests us is the part inside.

Mr. RANDELL. I think the question was what it cost to bind it.

Mr. GAINES. No; I asked him what it cost to buy it.

Mr. RANDELL. I thought you said to bind it.

Mr. GAINES. No, to buy it. Did you buy it in Washington?

Mr. SULLIVAN. Yes, sir.

Mr. GAINES. What did it cost, do you remember?

Mr. SULLIVAN. A dollar and eighteen cents.

Mr. GAINES. What is the paper in it?

Mr. SULLIVAN. The paper is an average 4 cent a pound paper, less 8 per cent for 30 days, and the paper in this volume weighs a scant 15 ounces, including the cover, so that fifteen-sixteenths of this makes the cost of this 3.75 cents, or a trifle over 5 mills per copy.

Mr. GAINES. Assuming that the entire duty is added to the cost of the paper, how much would that increase the cost of that volume; how much would that be on the book?

Mr. SULLIVAN. Half a cent for this copy.

Mr. GAINES. Half a cent for a book costing a dollar and eighteen cents?

Mr. SULLIVAN. Yes, sir.

Mr. RANDELL. What did it cost to manufacture that book?

Mr. SULLIVAN. That I can not tell you, sir. I am a paper manufacturer and not a book manufacturer. Of course, you will have to ask some book manufacturer what it cost to manufacture. I am only talking about the paper.

Mr. RANDELL. What sort of binding is it?

Mr. SULLIVAN. Just the ordinary binding that is on novels.

The CHAIRMAN. Do not spend too much time on these exhibits. You can not get them into the record.

Mr. RANDELL. How would you describe that binding?

Mr. SULLIVAN. It is just an ordinary novel binding.

Mr. RANDELL. Is it cloth or leather?

Mr. SULLIVAN. It is a cloth binding. Now, I have two other illustrations here which may possibly interest you. Here is a magazine. This magazine weighs 10 ounces, so that in the twelve months there would be 8¼ pounds used in the year's issue. The tariff on that amounts to one-fourth of a cent to the consumer per number.

Mr. UNDERWOOD. Are you talking about the tariff on the book or on the paper?

Mr. SULLIVAN. On the paper.

Mr. UNDERWOOD. You are not talking about the printing or the binding?

Mr. SULLIVAN. No, sir; I am speaking only of the paper that is in the book. Here is another illustration. This is a better magazine, which shows a half a cent a number per year to the consumer; so that, taking all those facts into consideration, we feel that our duty is not an excessive one.

Mr. CLARK. Now, while you got a very little off of each one, you got a great deal off of the total; is not that true?

Mr. SULLIVAN. Of course that is true; yes, sir. But at the same time we feel that our industry is entitled to the same protection as all other industries.

Mr. CLARK. Some of these industries have a protection of 200 or 300 per cent. Do you want that or not?

Mr. SULLIVAN. No, sir; we ask that it shall remain as it is.

Mr. CLARK. Would you rather have them cut down to yours or have yours raised up to theirs?

The CHAIRMAN. What is it that has a protection of 300 per cent?

Mr. CLARK. I have a list in my desk where for six months there were some of them that had 100 per cent.

Mr. DALZELL. You are coming down now.

Mr. CLARK. No; I can find them where they had 300 per cent.

Mr. GRIGGS. You represent the paper makers?

Mr. SULLIVAN. The paper part.

Mr. GRIGGS. The book-paper manufacturers?

Mr. SULLIVAN. Yes, sir.

Mr. GRIGGS. And you insist that you need this tariff which at present exists, and you do not want it increased or decreased.

Mr. SULLIVAN. No, sir; we respectfully ask that it remain as it is.

Mr. GRIGGS. Have you not had any combination among yourselves?

Mr. SULLIVAN. No, sir.

Mr. GRIGGS. Did you not meet about a year ago, or some time ago, at Atlantic City and elsewhere, and raise the price of all this paper about $10 a ton?

Mr. SULLIVAN. No, sir; we had no combination whatever.

Mr. GRIGGS. It went up $10 a ton, did it not?

Mr. SULLIVAN. No; I do not think it did.

Mr. GRIGGS. What was it, $9?

Mr. SULLIVAN. That depends on the grade. Of course the book papers you can buy as low as——

Mr. GRIGGS. I refer to the average.

Mr. SULLIVAN. The highest I can recall as far as our own price was concerned, I think the highest we got, was an increase of about $7.50 a ton.

Mr. GRIGGS. Is that the highest you got?

Mr. SULLIVAN. That is the highest.

Mr. GRIGGS. The highest increase you got?

Mr. SULLIVAN. Yes.

Mr. GRIGGS. Not the highest you made?

Mr. SULLIVAN. No, sir; because we make paper from 3½ cents a pound up to 6.

Mr. GRIGGS. I just wanted to understand where you got it. You said the highest increase you got was $7.50 a ton. Where did you get that?

Mr. SULLIVAN. Where?

Mr. GRIGGS. Yes; you said you got it somewhere. Where did you get it?

Mr. SULLIVAN. How do you mean, where did we get it?

Mr. GRIGGS. I asked you where this increase came from and you said there was no combination and no understanding and no agreement, and when I asked you what was the highest, you began to speculate on it in your mind, and you said the highest you got was $7.50.

Mr. SULLIVAN. Yes, sir.

Mr. GRIGGS. Out of the deal?

Mr. SULLIVAN. No, sir; no deal. We have no affiliation with any other concern.

Mr. GRIGGS. You have no general agreement?

Mr. SULLIVAN. No, sir.

Mr. GRIGGS. Did you all go up at the same time?

Mr. SULLIVAN. No, sir; we did not.

Mr. GRIGGS. How long did you wait after the others went up?

Mr. SULLIVAN. We were up before they were, or some of them.

Mr. GRIGGS. You went up first?

Mr. SULLIVAN. Yes, sir.

Mr. GRIGGS. The others followed you up?

Mr. SULLIVAN. I do not know whether they followed us or not. We increased the cost of our paper as the demand increased, and as the cost of the raw materials increased. We had to do it or quit business.

Mr. GRIGGS. And they all were in the same fix.

Mr. SULLIVAN. Yes, sir; I guess they were.

Mr. GRIGGS. And all understood it at the same time?

Mr. SULLIVAN. Yes; I can not say whether they understood it.

Mr. GRIGGS. And all went up. Now, did you not really have a meeting in Atlantic City?

Mr. SULLIVAN. Yes, sir; we had a meeting at Atlantic City, but it was rather a jollification at Atlantic City.

Mr. GRIGGS. That was after you got the price raised?

Mr. SULLIVAN. No, sir.

Mr. GRIGGS. Why the jollification?

Mr. SULLIVAN. There seems to have been a good deal of stress laid on the meeting at Atlantic City, and it is rather amusing from the fact that there was really nothing but a social time in Atlantic City.

Mr. GRIGGS. What is that?

Mr. SULLIVAN. So far as I know, there was nothing but a social time in Atlantic City, although there seems to be a great deal of stress laid upon the meeting at Atlantic City.

Mr. GRIGGS. It was a meeting of the manufacturers of book paper at Atlantic City, was it not?

Mr. SULLIVAN. Yes.

Mr. GRIGGS. And they all with one accord, with no social ties, simply met in Atlantic City to have a jollification and a good time; is that true?

Mr. SULLIVAN. Yes.

Mr. GRIGGS. They simply wanted to get acquainted?

Mr. SULLIVAN. Yes, sir; that is right. They ought to have gotten acquainted. We did not know each other for a long time.

Mr. GRIGGS. How long was it after that jollification meeting before the price of paper went up?

Mr. SULLIVAN. That I could not tell you—as there was not any general rise in the price of paper.

Mr. GRIGGS. I understand. Your raise, I am talking about now.

Mr. SULLIVAN. That I could not tell you, whether it was before or after that. We raised from month to month as the cost of our material increased or we were in a position to do so. We had so much business we were in a position to ask for an increase.

Mr. GRIGGS. You represent really all of the book-paper manufacturers, do you not?

Mr. SULLIVAN. Only in presenting this brief.

Mr. GRIGGS. Well, I understand; I mean here. You represent all of them, and you really do not know when the price went up among the others.

Mr. SULLIVAN. I can not tell you positively now.

Mr. GRIGGS. But it went up soon after the jollification meeting you had in Atlantic City?

Mr. SULLIVAN. At the present time I can not tell you whether it was raised before or after that.

Mr. GRIGGS. Well, you want to amend your testimony on that part, then, because you said just now that paper did not go up until after that meeting.

Mr. SULLIVAN. No; I did not. I was speaking about ourselves. I said I could not tell you whether ours went up before or after. We were raising from month to month.

Mr. GRIGGS. But you said your price went up, and that it went up before the meeting at Atlantic City.

Mr. SULLIVAN. Yes.

Mr. GRIGGS. You did not intend to say that?

Mr. SULLIVAN. Yes, sir; it went up before; but I think it went up possibly four or five months afterwards.

Mr. BONYNGE. You did not make all the increase at one time?

Mr. SULLIVAN. No, sir; we did not. Our prices were raised 15 cents at a time.

Mr. FORDNEY. You ought to be entitled to a jollification once a year when some men have a jollification every day, ought you not?

Mr. SULLIVAN. That is true. We do not have many of them in our industry.

Mr. GAINES. What is the difference between news paper and book paper?

Mr. SULLIVAN. Most of the difference between news paper and book paper is that one uses ground wood and the other uses soda pulp.

Mr. GAINES. Which do you use?

Mr. SULLIVAN. Soda pulp.

Mr. GAINES. Is that what you call sulphite?

Mr. SULLIVAN. No, sir; both grades of paper use sulphite, both news and book paper. Soda pulp is the soda process. Sulphite is the sulphite process.

Mr. BOUTELL. You represent the manufacturers of book paper?

Mr. SULLIVAN. Yes, sir.

Mr. BOUTELL. And not the jobbers?

Mr. SULLIVAN. Not the jobbers.

Mr. BOUTELL. How many manufacturers are there of this book paper?

Mr. SULLIVAN. There are 46.

Mr. BOUTELL. Where are they located, geographically?

Mr. SULLIVAN. They are located all over the country, from Maine to Wisconsin. There is a list of them in this brief.

Mr. BOUTELL. Are there any of them west of the Mississippi?

Mr. SULLIVAN. Yes, sir.

Mr. BOUTELL. How far west do they go?

Mr. SULLIVAN. There is one out at Everett, Wash.

Mr. BOUTELL. So they extend clear across the continent?

Mr. SULLIVAN. Yes, sir.

Mr. BOUTELL. To whom do they sell, to the jobbers or the publishers direct?

Mr. SULLIVAN. Each one of these concerns has a different method of doing business. Some sell to the jobbers and do not sell to the consumers direct, and some mills sell to the consumers direct.

Mr. BOUTELL. There are only two classes of purchasers, either jobbers or consumers?

Mr. SULLIVAN. Yes, sir.

Mr. BOUTELL. Has there been any identity of interest to any extent of any two or more of these 46 mills?

Mr. SULLIVAN. No, sir; not to my knowledge.

Mr. BOUTELL. Are these 46 mills all operated by corporations?

Mr. SULLIVAN. No, sir. There are some here that are not corporations.

Mr. BOUTELL. Some are individuals and some firms and some incorporated companies?

Mr. SULLIVAN. Yes, sir.

Mr. BOUTELL. And there is no community of ownership between any two of them?

Mr. SULLIVAN. No, sir.

Mr. BOUTELL. Has there ever been any agreement between any two of more of these manufacturers of book paper, or a combination of territory?

Mr. SULLIVAN. Not to my knowledge.

Mr. BOUTELL. Or an agreement as to prices?

Mr. SULLIVAN. Not to my knowledge.

Mr. BOUTELL. To the jobber or to the publisher?

Mr. SULLIVAN. No, sir.

Mr. BOUTELL. What was the total output of these 46 factories for any one year. Take any one year you choose.

Mr. SULLIVAN. This brief says, upon that point: "Unfortunately, statistics covering the production of book paper and similar grades for the current calendar year are unavailable, the year of 1908 being still incomplete and having some fifty-odd working days (the months of November and December) still to hear from. But estimating the production for the year 1908 of all mills engaged in manufacturing book paper and similar grades at about 90 per cent of the normal productive capacity, we would have an estimated average daily production of about 2,100 tons."

Mr. BOUTELL. Two thousand one hundred tons per day would be the average?

Mr. SULLIVAN. Yes, sir.

Mr. BOUTELL. For any year?

Mr. SULLIVAN. Yes, sir. Of course in 1905, according to the Bureau of the Census—that was before we took any statistics ourselves—the paper manufactured was 434,500 tons, which is equal to a daily average of 1,448 tons, which is calculated on 300 actual working days to the year. That was in 1905.

Mr. BOUTELL. What is that total output?

Mr. SULLIVAN. Four hundred and thirty-four thousand five hundred tons.

Mr. BOUTELL. What was the import of the product during that same period?

Mr. SULLIVAN. That I can not tell you. I have not that. I will have to get that for you and let you have it if you wish.

Mr. BOUTELL. I do not know if there is any one factor more important and essential, when you are asking for a variation in the tariff, than the proportion between the domestic product and the imported product.

Mr. SULLIVAN. We are not asking for any variation.

The CHAIRMAN. I asked the Director of the Census some time ago to give us a complete statement under the various schedules of the amounts of the domestic products and the amount of the imports for the year 1905, following each other, covering all the schedules. That will go to the printer to-morrow morning and get here in a few days. I say that to show you where you can ultimately get this information. This gentleman does not seem to have it.

Mr. BOUTELL. Yes; but when we ultimately get that we will not have the gentleman here. I wanted to ask you a question, Mr. Sullivan, based on the comparison of the two.

Mr. SULLIVAN. I have not that.

Mr. BOUTELL. Of course you realize that the amount of the imported product shows the amount of competition there is with the domestic product. That is what I was trying to arrive at.

Mr. SULLIVAN. We did not know that you would ask that question, because we were not asking for an increase in duty.

Mr. BOUTELL. But you must have considered that we might contemplate a reduction in the duty.

Mr. SULLIVAN. Yes. Of course, in the discussion of such a thing as that, we ask that you make a reduction also in all the products we use in our manufacture, so as to enable us to exist. As you will see by this schedule, everything that goes into our product has a duty on it, which, of course, should be reduced in proportion. It does not make any difference so long as we have our duty of 15 per cent, but if the committee proposes to reduce our protection, we ask that they reduce also the duty on the things we have to use. It is absolutely impossible for us to exist unless you also make a reduction in proportion in the things that we use.

Mr. CLARK. How much do you export?

Mr. SULLIVAN. We export very little, and most of that goes from the other side of the continent to Japan.

Mr. CLARK. How long have you been in this business?

Mr. SULLIVAN. Twenty-five years.

Mr. CLARK. Have you ever had any connection with the paper trust?

Mr. SULLIVAN. Never heard of it.

Mr. CLARK. You never heard of the paper trust?

Mr. SULLIVAN. No, sir; except in the newspapers.

Mr. CLARK. You did not read President Roosevelt's message, then, did you?

Mr. SULLIVAN. Yes; I read that, too. I am a member of the American Pulp and Paper Association, but that is no paper trust.

Mr. CLARK. No; that is a pulp trust.

Mr. SULLIVAN. That is a social organization that up to the present time has done nothing but have one annual dinner every year.

Mr. CLARK. You do not talk any business at that dinner?

Mr. SULLIVAN. No, sir; we generally have some right good Congressman to come there and deliver a speech. [Laughter.]

Mr. CLARK. You get Congressmen to go?

Mr. SULLIVAN. Yes, sir; we do.

Mr. CLARK. Is there any connection between this book-paper business and the news-paper business?

Mr. SULLIVAN. No, sir.

Mr. CLARK. You do not make the same sort of paper?

Mr. SULLIVAN. No, sir.

Mr. GAINES. The so-called trust is the International Paper Company, is it not?

Mr. SULLIVAN. Indeed I do not know just what you call a trust. The International Paper Company is an organization, so far as my knowledge goes, that only makes about 40 per cent of the production of news paper.

Mr. GAINES. In the first place, have you any connection with the International Paper Company?

Mr. SULLIVAN. None whatever; no, sir.

Mr. GAINES. What proportion of the product that it deals in or manufactures is made by the International Paper Company, do you know?

Mr. SULLIVAN. They have their representatives here, and those gentlemen will be able to give you the accurate information. What I have is only hearsay.

Mr. GAINES. Very well, we will get it from them.

BRIEF OF GEORGE SULLIVAN, PHILADELPHIA, RELATIVE TO BOOK MANUFACTURING AND MATERIALS USED.

WASHINGTON, D. C., *November 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: From the figures given by the Bureau of Census in Bulletin 80 of the Department of Commerce and Labor, which are assumed to be correct, it would appear that the production of book papers in the year 1900 amounted to 282,093 tons. This was equivalent to an average daily production of 940 tons calculated on the basis of 300 actual working days to the year.

In 1905, according to the same authority, the amount of book papers manufactured was 434,500 tons, which is equal to an average daily product of 1,448 tons when calculated on the same daily basis as above, viz, 300 working days to the year. This increase in 1905 in the production of book papers is particularly impressive, representing, as it does, an increase of 504 tons per day, or an enlargement from a daily average of 940 tons in the year 1900 to a daily average of 1,448 tons in the year 1905. Hence the percentage of increase during this five-year period (from 1900 to 1905) is equal to about 54 per cent in the production of book papers alone.

The present estimated average daily productive capacity of all the mills in the United States engaged in the manufacture of book papers and similar grade is calculated to be about 2,328½ tons, or, say, approximately 2,330 tons. Attached hereto is a detailed statement containing the names and post-office addresses of all companies pro-

ducing the grades of paper in question, each representing a distinct, separate, and independent enterprise, and from which it will be observed that there are at present 46 concerns engaged therein.

Names and post-office addresses of companies engaged in the manufacture of book paper and similar grades.

Company.	Post-office address.	Average daily product.
		Tons.
American Writing Paper Company	Holyoke, Mass	60
Amoskeag Paper Mills Company	Manchester, N. H	10
Antietam Paper Company	Hagerstown, Md	4
Arlington Paper Company	Salisbury Mills, N. Y	16
Bardeen Paper Company	Otsego, Mich	24
Bare Paper Company	Roaring Spring, Pa	27
Bergstrom Paper Company	Neenah, Wis	18½
Bryant Paper Company	Kalamazoo, Mich	100
Bulkley, Dunton & Co	Bancroft, Mass	5
Champion Coated Paper Company	Hamilton, Ohio	180
Claremont Paper Company	Claremont, N. H	15
Crocker, Burbank & Co	Fitchburg, Mass	120
Curtis & Bro	Newark, Del	13
Dill & Collins	Philadelphia, Pa	38
Elkhart Paper Mills Company	Elkhart, Ind	15
Everett Pulp and Paper Company	Everett, Wash	25
Fitchburg Paper Company	Fitchburg, Mass	40
French Paper Company	Niles, Mich	25½
Friend Paper Company	West Carrollton, Ohio	70
Frank Gilbert Paper Company	Waterford, N. Y	13
Glatfelter Co., P. H	Spring Forge, Pa	50
Hamilton & Sons, W. C	William Penn Post-Office, Pa	34
Hammermill Paper Company	Erie, Pa	50
Jessup & Moore Paper Co	Philadelphia, Pa	53½
Kalamazoo Paper Co	Kalamazoo, Mich	20
Kenmore Pulp and Paper Co	Philadelphia, Pa	35
Kimberly-Clark Co	Neenah, Wis	136
King Paper Co	Kalamazoo, Mich	29
Mead Pulp and Paper Co	Chillicothe, Ohio	25
Merrimac Paper Co	Lawrence, Mass	24
Michigan Paper Co	Plainwell, Mich	20
Monadnock Paper Mills	Bennington, N. H	27½
Monarch Paper Co	Kalamazoo, Mich	21
Nashua River Paper Co	East Pepperell, Mass	60
New York and Pennsylvania Co	41 Park Row, New York	87
Nixon Paper Co	Manayunk, Philadelphia, Pa	30
Oxford Paper Co	Rumford Falls, Me	120
Patten Paper Co	Appleton, Wis	17
Poland Paper Co	Mechanic Falls, Me	31
Reading Paper Mills	Philadelphia, Pa	12
Ticonderoga Pulp and Paper Co	41 Park Row, New York	49
Tileston & Hollingsworth Co	Boston, Mass	35
Wanaque River Paper Co	Wanaque, N. J	19
Warren & Co., S. D	Boston, Mass	145
West Virginia Pulp and Paper Co	309 Broadway, New York	328½
Wheelwright Paper Co	Boston, Mass	42
Total average daily production		2,328½

Unfortunately, statistics covering the production of book paper and similar grades for the current calendar year are unavailable, the year 1908 being still incomplete and having some fifty-odd working days (the months of November and December) still to hear from. But estimating the production for the year 1908 of all mills engaged in manufacturing book paper and similar grades at about 90 per cent of the normal productive capacity we would have an estimated average daily production of about 2,100 tons, this being an increase of 652 tons per day over and above the production for the year 1905, such increase amounting to about 45 per cent.

While the increase of 54 per cent in the production of 1905 over the year 1900 seems marvelous, the increase in the production for the shorter period (from 1905 to 1908), a growth estimated at about 45 per cent, is none the less striking.

Comparisons of the average daily production of book papers for the year 1900 and the estimated average daily production for the year 1908 show that the increase and growth in production amounted to approximately 123.4 per cent within the period constituting the last eight years.

The marvelous growth and progress manifested in this one particular branch of the paper-making industry during the eight-year period indicated proves, if anything can, that its wonderful development became possible by virtue of the benign influences of our protective tariff, from the effects of which it has materially benefited.

The great increase in production of book papers and similar grades is largely attributable to the protective-tariff system. It is mainly responsible for the erection of all the new book-paper mills which have been constructed during the past eight years, likewise for additions and enlargements to older plants for the purpose of increasing their capacities, thus providing abundant opportunity for employment to the American wage-earner at a wage scale considerably higher than obtains in any other country.

A brief résumé of the rates of wages paid to employees in paper mills of this country, as compared with the rates of wages paid in paper mills of other countries, will undoubtedly interest your committee, and data of this character is hereto appended, together with the present tariff duties in force and covering the various materials and supplies used in the operation and conduct of paper and pulp mills in the United States.

Scotch mill as compared with Mechanicsville mills.

[Average of various companies in Scotland—Pay per two weeks (12 days).]

	Scotch mill.	Mechanicsville mill.
Beater men	$20.00	$46.08
First assistant	12.50	22.20
Second assistant	8.75	22.20
Machine men	24.00	56.16
First assistant	12.75	30.24
Second assistant	8.50	27.36
Grass boiler man	17.50	28.80
Assistant	10.00	21.00
Cutter men	18.75	40.20
Assistant	7.50	19.20
Cutter boys	4.00	15.00
Head machinist	30.00	45.00
Good journeymen	15.00	36.00
Apprentices	6.00	24.20
Head firemen	17.50	42.00
First assistant	11.25	28.80
Head finisher	20.00	49.20
Finishing girls	8.00	15.00
Tyers up	10.00	.....
Outside labor	9.00	18.00
Supercalender man	17.50	29.04
Helper	8.00	21.00
Steam engineers	20.00	33.00

Rates of wages paid per day of twelve hours in the United States as compared with other countries.

Department.	Occupation.	United States.	Austria.	Germany.	Sweden.	Norway.	England.
Wood room	Sawyer	$3.00	$0.75	$0.87	$0.90	$0.95	.....
	Barker	2.68	.75	.87	.90	.95	.....
	Splitter	2.68	.75	.87	.90	.95	.....
	Chipper	2.68	.75	.87	.....	.....	.....
Digesters	Head cook	4.50	1.25	1.50	1.40	1.50	.....
	Cook	3.66	.90	1.00	1.00	1.00	.....
	Cook helper	3.00	.70	.75	.70	.80	.....
Beaters	Beater man	2.85	.80	.90	.80	.90	$1.20
Paper machines	Machine tender	4.30	1.50	1.80	1.50	1.60	2.75
	Second hand	2.15	1.00	1.20	1.10	1.20	1.60
	Third hand	1.65	1.00	1.20	1.10	1.00	1.25
	Fourth hand	1.65	.80	.87	.80	.80	1.05
Repairs	Head millwright	4.66	1.10	1.25	1.20	1.20	2.00
	Millwright	3.60	.90	1.00	1.00	1.00	1.10
	Millwright helper	2.40	.....	.75	.75	.80	.90
	Carpenters	2.85	.90	1.00	.90	.90	1.25
	Mason	6.00	.90	1.00	.90	.90	1.25
	Painter	2.00	.90	.87	.90	.80	1.10
	Electrician	4.00	1.00	1.25	1.10	1.00	1.25
	Laborers	2.20	.60	.75	.75	.70	.90
	Teamsters	2.20	.60	.87	.85	.80	1.00

Scale of wages paid at Duncan mills, Mechanicsville, N. Y., 1893–1908.

[Wages shown for 1893 are those paid in the month of May, which was prior to a general reduction of 10 per cent. Said reduction remained in effect until after May, 1898.]

PAPER MILL.

	1893.	1898.	1903.	1908.	Percentage of increase between lowest and present rates.
Foreman, night	$4.00	$3.75	$4.00	$3.24	120
Foreman, finishing room	3.00	2.70	3.75	4.19	55
Finishers	2.00	1.80	2.20	2.40	33⅓
Foreman, cutter room	1.75	1.80	2.60	3.65	109
Assistant foreman, cutter room	.....	1.50	1.85	2.00	33⅓
Crane men, cutter room	.....	.....	.....	2.00	.....
Helpers, cutter room	1.50	1.35	1.40	1.60	18
Broke men	.....	1.25	1.30	1.50	20
Cutter girls	1.00	.90	1.10	1.25	40
Foreman, calender room	.....	2.00	2.40	4.44	122
Assistant foreman, calender room	.....	.....	.....	2.75	.....
Men (66 calenders)	.....	.....	2.15	2.30	7
Men (52 calenders)	.....	.....	2.15	2.25	4
Men (44 calenders)	1.75	1.57	2.15	2.20	40
Helpers, calenders	1.50	1.35	1.68	1.75	30
Rewinder runners	.....	.....	2.15	1.75	23
Rewinder helpers	.....	.....	1.68	1.60	5
Foreman, 1 and 2 machine room	.....	.....	.....	7.16	.....
Foreman, 3 and 4 machine room	.....	4.00	5.00	7.16	79
Foreman, 5 and 6 machine room	.....	.....	.....	7.16	.....
Machine tenders	3.00	3.38	3.80	4.75	58
Back tenders and oilers	1.50	1.69	1.92	2.38	58
Wipers (days only)	.....	.....	1.40	1.60	14
Beater engineers	2.50	2.98	3.05	4.00	60
Beater helpers	1.50	1.35	1.75	1.85	37
Beater wipers	.....	.....	1.40	1.60	14
Foreman, clay room	.....	.....	.....	2.00	.....
Helpers, clay room	.....	.....	1.75	1.85	5
Broke mixing machine	.....	.....	.....	1.75	.....
Engineers on steam engines	.....	2.00	2.66	2.75	37½
Motormen	.....	.....	1.90	2.00	5
Taking care of pumps	.....	.....	1.40	2.00	43
Belt repairer (whole mill)	1.50	1.35	1.60	2.00	48
Belt repairer's helper (whole mill)	.....	.....	1.60	1.85	16
Filter men	1.50	1.35	1.72	1.85	37
Watchman	1.50	1.35	1.60	1.75	30
Laborers	1.25	1.12	1.40	1.60	43
Mechanics	2.50	2.25	2.60	3.00	33⅓
Mechanics' helpers	1.50	1.35	1.50	1.75	30

Scale of wages paid at Duncan mills, Mechanicsville, N. Y., 1893–1908—Cont'd.

SULPHITE MILL.

	1893.	1898.	1903.	1908.	Percentage of increase between lowest and present rates.
Foreman, day	$3.00	$3.84	$4.83	$5.25	75
Foreman, night	.....	3.00	3.50	3.85	28
Wet machine tenders	.....	1.35	1.63	1.85	37
Screening machine tenders	.....	1.25	1.40	1.65	32
Bleachers	1.75	1.57	1.85	2.10	34
Bleacher helpers	1.25	1.25	1.63	.....	30
Bleach mixers	.....	.....	1.80	1.80	.....
Bleach mixer helpers	.....	1.24	1.40	.....	13
Digester cooks	2.50	2.75	2.85	2.90	16
First digester cook helpers	1.50	1.50	1.60	1.85	23
Second digester cook helpers	.....	1.35	1.45	1.70	26
Acid makers	2.00	2.00	2.10	2.75	37½
Acid maker helpers	1.37	1.35	1.45	1.75	30
Screen men	1.25	1.35	1.69	1.75	40
Screen men helpers	.....	1.25	1.63	1.65	32
Blow pitmen	1.25	1.25	1.63	1.65	32
Foreman wood room	1.50	1.70	1.85	2.25	50
Helpers, wood room	1.25	1.12	1.40	1.65	47
Lead burner	3.50	3.15	3.75	4.00	27
Lead-burner helper	.....	1.25	1.40	1.75	40
Mechanics	2.50	2.25	2.60	3.00	33⅓
Mechanic helpers	1.50	1.35	1.40	1.75	30
Watchman	1.50	1.35	1.60	1.75	30
Laborers	1.25	1.12	1.40	1.65	47

SODA MILL.

Foreman, day	$4.80	$4.33	$5.00	$6.40	43
Assistant foreman, day	2.00	2.25	2.35	4.06	103
Foreman, night	1.87	2.00	2.25	2.40	28
Machine tenders	2.25	2.02	2.35	2.75	36
First machine back tenders	1.75	1.45	1.60	1.65	14
Second machine back tenders	.....	1.25	1.45	1.60	28
Bleachers	1.75	1.57	2.16	2.10	34
Bleacher helpers	1.25	1.12	1.63	.....	45
Screen men	1.37	1.24	1.63	1.65	33
Foreman, wood room	1.37	1.12	1.85	2.25	109
Helpers, wood room	1.25	1.12	1.45	1.65	47
Foreman, pit room	1.50	1.35	2.04	2.00	43
Helpers, pit room	1.25	1.12	1.40	1.65	47
Digestor cooks	2.50	2.25	2.62	2.75	22
First helpers	1.37	1.24	1.69	1.70	37
Second helpers	1.37	1.24	1.45	1.65	33
Foreman, liquor room	2.00	1.80	2.10	2.33	29
Helpers, liquor room	1.37	1.24	1.63	1.65	33
Foreman, leach liquor makers	1.50	1.35	1.87	2.10	56
First helpers, leach liquor makers	1.50	1.35	1.63	1.85	37
Second helpers, leach liquor makers	1.25	1.12	1.40	1.70	52
Foreman, rotaries	2.00	1.80	2.10	2.30	23
Helpers, rotaries	1.75	1.57	1.85	2.05	30
Do	1.50	1.35	1.60	1.65	22
Evaporator men	1.75	1.57	2.16	2.25	43
Men unloading lime and soda ash	1.25	1.12	1.40	1.65	47
Men handling soda pulp	.....	.....	.....	1.65	.....
Mechanics	2.50	2.25	2.60	3.00	33⅓
Mechanics' helpers	1.50	1.35	1.40	1.75	30
Watchman	1.50	1.35	1.60	1.75	30
Laborers	1.25	1.12	1.40	1.60	43

BOILER HOUSE.

Foreman	$2.40	$2.50	$3.25	$3.50	46
Water tender	.....	1.75	2.16	2.40	37
Fireman	1.50	1.35	2.00	2.40	60
Coal and ash handlers	1.25	1.12	1.65	1.75	56

Scale of wages paid at Duncan mills, Mechanicsville, N. Y., 1893–1908—Cont'd.

MACHINE SHOP.

	1893.	1898.	1903.	1908.	Percentage of increase between lowest and present rates.
Foreman of mechanics	$5.00	$5.00	$6.00	$7.84	57
Shop foreman	3.00	2.50	2.75	3.75	50
Mechanics and millwrights	2.50	2.25	2.60	3.00	33⅓
Do	.....	.....	2.35	2.60	10
Do	.....	.....	2.25	2.35	4
Do	.....	.....	2.10	2.25	7
Mechanics' helpers	1.50	1.35	1.50	1 70	26
Foreman of pipers	.....	.....	2.50	3.75	50
Pipers	2.25	2.02	2.35	3.00	48
Do	2.25	2.02	2.35	2.50	24
Do	1.50	1.35	1.45	2.00	48
Blacksmiths	2.75	2.47	2 85	3.50	42
Blacksmiths' helpers	1.25	1.25	1.50	.....	20
Masons	3.00	2.25	3.75	4.50	100
Do	.....	.....	3.50	4.25	21
Masons' helpers	1.50	1.35	1.55	1.75	30
Storeroom	1.25	1.50	1.70	2.33	86
Storeroom helper	.....	1.35	1.60	1.75	30
Painters	.....	.....	.....	2.00	.....
Painters' helpers	.....	.....	.....	1.70	.....
Foreman electrician	.....	.....	6.00	8.42	40
Electrician	.....	1.80	2.29	3.08	71
Do	.....	1.80	2.00	2.50	39
Do	.....	.....	2.00	2.00	.....
Labor	1.25	1.12	1.40	1.60	43

YARD.

Foreman	$2.25	$2.25	$2.75	$3.92	74
Assistant foreman	1.37	1.75	1.75	2.10	53
Do	1.37	1.35	1.65	1.75	30
Teamsters	1.25	1.25	1.50	1.75	40
Barn man	1.25	1.25	1.50	1.60	28
Wood handlers	1.25	1.12	1.40	1.60	43
Yard helpers	1.25	1.25	1.45	1.65	32
Men on clay platform	1.25	1.12	1.45	1.75	56

Comparative wages of Tyrone (Pa.) mill.

	1893.	1898.	1903.	1908.		
				Wages.	Average daily bonus for year 1907.	Total daily wage and bonus.
Night foreman paper mill	$3.50	$3.50	$3.75	$4.00	$0.49	$4.49
Finishers:						
Boss and shipper	[a]100.00	3.00	3.25	3.25	.....	.....
Assistant shipper, etc	.....	.....	.....	3.00	.....	.....
Checker, etc	.....	.....	.....	2.00	.....	.....
Trimmers	1.75	1.75	1.90	2.15	.....	.....
Do	.....	.....	.....	2.05	.....	.....
Do	.....	.....	.....	1.90	.....	.....
Finishers	1.50	1.60	1.75	2.00	.....	.....
Counters, girls	.75	.90	1.00	1.10	.....	.....
Do	1.00	1.00	1.10	1.20	.....	.....
Do	1.10	1.10			.....	.....
Cases and frames:						
Frame maker	([b])	([b])	([b])	1.65	.....	.....
Do	([b])	([b])	([b])	1.90	.....	.....
Cutters:						
Cutter girl, machine, first year	.65	.65	.75	.85	.....	.....
Cutter girl, machine, second year	.75	.75	.85	.95	.....	.....

[a] Per month. [b] During 1893, 1898, and 1903 frames were made by contract.

Comparative wages of Tyrone (Pa.) mill—Continued.

	1898.	1899.	1903.	1908.		
				Wages.	Average daily bonus for year 1907.	Total daily wage and bonus.
Cutters—Continued.						
Cutter girl, roll	$0.75	$0.75	$1.00	$1.10		
Do	.90	.90				
Cutter boss	2.25	2.00	2.10	3.00	$0.32	$3.32
Cutter boss assistant				1.90		
Cutter boss helper	1.25	1.25	1.45	1.65		
Super calendars:						
Runner	1.75	1.60	1.65	1.80		
Helper	1.25	1.25	1.40	1.65		
Do	1.50	1.50				
Machine room:						
Machine tender	3.00	3.00	3.25	3.50	.32	3.82
Do	2.75	2.75	3.00	3.25	.32	3.57
Back tender	1.85	1.85	1.50	1.90	.16	2.06
Back tender helper	1.25	1.25	1.35	1.50		
Winder boys			.85	1.10		
Beater room:						
Boss beater man	1.75 2.00 2.25 2.75	2.75	3.00	3.25	.32	3.57
Helper	1.30	1.35	1.50	1.65 1.90	.16	1.81 2.06
Clay mixer		1.50	1.60	1.65		
Size, etc	1.35	1.50	1.60	1.90		
Engineers and firemen:						
Chief engineer	*100.00	*100.00	*125.00	*135.00	*8.00	*143.00
Engineers	1.75	1.75	2.00	2.20		
Firemen	1.60 1.70 1.75	1.75	2.00 2.10	2.20 2.45		
Ash wheelers, etc	1.35	1.25 1.50	1.45	1.65		
Mechanical department:						
Boss	3.25	*110.00	*125.00	*135.00	*8.00	*143.00
Mechanics	1.50	1.50	1.60	1.75		
Do	1.75	1.75	1.90			
Do	1.85		2.00	2.20		
Do	2.00	2.00	2.20	2.40		
Do	2.25	2.25	2.50	2.70		
Do	2.50	2.50	2.75	2.95		
Oilers		1.75	1.60 1.90	1.90 2.05		
Outside labor:						
Boss	1.75	1.75	2.00	2.50		
Common	1.35	1.25 1.35	1.45	1.65		
Paper loader	1.35	1.35 1.50	1.45 1.60	1.80		
Night watchman	1.35	1.50	1.75	1.90		
Teamsters	1.35	1.35	1.50	1.75		
Do	1.50	1.50	1.60	1.90		
Do	1.75	1.75	1.90	2.05		
Bleach and wet machines:						
Bleach mixers			1.60	1.90		
Wet machines and screens	1.35	1.35	1.45	1.75		
Bleachers, etc	1.75	1.75	2.20	2.35		
Bleachers' helpers	1.60	1.60	1.75	1.90		
Digesters, dumping and alkali:						
Digesters	1.70	1.70	1.85	2.15		
Digesters' helpers	1.50	1.50	1.60	1.75		
Pan room	1.60	1.60	1.75	1.90		
Pan-room helpers	1.35	1.35	1.45	1.65		
Alkali	1.70	1.70	1.85	2.00	.12	2.12
Alkali helper		1.50	1.60	1.75	.06	1.81
Evaporators, rotaries, and leachers:						
Assistant to pulp superintendent			1.75	2.25	.12	2.37
Evaporators	1.60	1.60	1.75	2.00		
Rotary	1.75	1.75	1.85	2.15		
Rotary helper			1.50	1.75		
Leacher	1.70	1.70	1.85	2.00		
Leacher helper	1.50					
Chipper:						
Chipper	1.50	1.50	1.60	1.75		
Helper	1.35	1.35	1.50	1.65		

* Per month.

Comparison of wages paid at pulp mill at Luke, Md.

	May, 1891.	January, 1894.	May, 1899.	May, 1904.	May, 1907.
Common laborer	$1.25	$1.15	$1.20	$1.35	$1.45
Tour workers	1.333	1.20	1.30	1.40	1.50
Machine room foreman (J. Ryan)	3.00	2.70	3.00	4.00	5.72
Cookers	2.50	2.25	2.25	2.35	3.46
Boss pipe fitter	2.25	2.25	2.25	3.10	4.51
Chief millwright	2.50	2.25	2.375	3.10	4.46
Assistants to millwrights	2.00	2.00	2.00	$2.25-2.50	$2.25-2.50
Chief engineer	3.50	3.65	3.40	3.98	5.51
Engineers	1.75	1.75	1.75	2.00	2.10
Firemen	1.50	$1.40-1.50	$1.40-1.60	1.50-1.70	2.00-2.25

Employees working regularly for more than one year now receive 5 per cent bonus, except foremen. This additional 5 per cent has not been figured in the above statement.—West Virginia Pulp and Paper Company.

Comparison of daily wages paid at paper mills at Luke, Md.

	May, 1893.	May, 1899.	May, 1904.	May, 1907.
Boss finisher	$2.50	$2.666	$3.55	$3.65
Finishing-room girls	.75	.75	.80	.95
Calendar-room boss (T. Gormley)	2.50	2.75	3.46	3.46
Cutter girls	.75	.666	.70	.80
Machine tenders	3.00	2.75	4.15	4.76
Beater men	2.50	2.50	3.10	3.54
Back tenders	1.50	1.60	1.99	2.39
Outside labor	1.25	1.25	1.35	1.45
Boss millwright	2.50	2.50	2.90	3.10
Boss machinist	2.50	2.50	2.90	3.10
Helpers on calenders	[a]1.15	1.25	1.40	1.50

[a] Mostly.

Machine tenders, beater men, and back tenders are now paid double time for working on Saturday nights, and due allowance has been made for this (as well as for bonuses) in the figures for May, 1907. Wages at present time are same as May, 1907.—West Virginia Pulp and Paper Company.

Have not considered the 5 per cent bonus paid employees who remain one year or longer in the May, 1907, column.

Comparison of wages paid at pulp mill at Davis, W. Va.

	July, 1898.	July, 1903.	September, 1907.
Chief engineer, per month	$75.00	$90.00	$125.00
Assistant superintendent (H. Male), do	[a] 2.00	80.00	175.00
Machine-room foreman (Martin), per day	----------	2.25	4.98
Machine tenders, do	1.75	2.00	2.57
Chip-house foreman (Shoemaker), do	1.60	2.00	3.52
Cooker (digester house), do	2.00	2.00	3.53
Acid maker, do	2.00	2.25	2.34
Firemen, do	1.60	1.75	[b] 2.00
Coal wheelers, do	1.333	$1.40-1.50	None.
Common labor, do	1.15	1.35-1.40	$1.35-1.50
Wood peelers, per cord	.85	1.00	1.10

[a] Per day. [b] Gas.

West Virginia Pulp and Paper Company.

Comparative labor figures—Paper mill (per day).

	June, 1900.	April, 1903.	April, 1908.
Finishers	$1.76	$1.78	$2.17
Counters (girls)	.62	.76	.90
Cutters (men)	1.51	1.98	2.31
Cutters (girls)	.59	.67	.84
Cases and frames	1.36	1.35	1.60
Boss machine tender	4.26	9.11	$6.82–7.28
Machine tender	3.00	3.73	4.21–4.51
Back tenders	1.50	1.79	2.24–2.41
Third hands and reels	1.14	1.26	1.43
Beatermen	2.62	3.73	4.24–4.44
Helpers on beaters	1.34	1.40	1.74
Outside labor	1.25	1.36	1.53
Mechanics	2.50	2.67	2.69
Supers (runners)	*1.75	1.76	2.28
Supers (helpers)	*1.25	1.25	1.38
Common labor	1.25	1.25	1.40
All kinds	1.33	1.56	1.87
Office, including chemist	2.61	4.31	3.91

* July.

West Virginia Pulp and Paper Company, Covington, Va.

Comparative labor figures—Sulphite mill (per day).

	June, 1900.	April, 1903.	April, 1908.
Foreman (drainer room to machine room)	$3.34	$5.00	$3.26
Foreman (night, drainer room to machine room)	2.75		
Machine tender	2.75	2.61	3.78
Back tender	1.50	1.50	1.83
Wet machines		1.40	1.75
Loaders	1.37	1.42	1.69
Reel men	1.33	1.35	1.75
Bleachers	1.67	1.50	1.91
Bleach mixers	1.40	1.50	1.60
Screens, blow pits, and drainers	1.30	1.24	1.54
Foreman (digesters and acid room)	2.88	3.01	4.08–5.82
Cookers	2.00	2.04	3.24
Acid men	2.00	1.87	2.80
Helpers (acid room and digesters)	1.32	1.29	1.61
Mechanics	2.01	1.93	2.12
Foreman (chip house and yard)	2.69	2.69	4.03–4.45
Chip house	1.27	1.47	1.59
Engineers and firemen	1.58	1.69	1.96
Outside labor	1.33	1.38	1.45
Common labor	1.25	1.25	1.40
All kinds	1.48	1.59	1.82

See paper mill figures for office. West Virginia Pulp and Paper Company, Covington, Va.

Mechanics in sulphite mill, April, 1908.—Two, at $3.20; one, at $2.75; two, at $2.50; one, at $2.45; one, at $2.40; one, at $2.38; four, at $2.25; two, at $2.20; two, at $2.15; one, at $2.10; three, at $2; two, at $1.75; two, at $1.60; one, at $1.50; fourteen, at $1.40; one, at $1.35; two, at $1.25.

Scale of wages at New York and Pennsylvania Company's Johnsonburg mill from 1898 to 1908.

Names.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	Per cent.
Oilers	$1.25	$1.25	$1.40 1.35	$1.50 1.40	$1.50 1.40	$1.50 1.40	$1.50 1.40	$1.50 1.40	$1.50 1.40	$1.50 1.40	$1.60 1.80	28 40
Repair crew:												
Blacksmith	2.50	2.50	2.25	2.25	2.25	2.50	2.50	2.75 2.50	2.75 2.50	2.75 2.50	2.75 2.75	10
Helper	1.20	1.50	1.50	1.75	1.40	1.40	1.60	1.60	1.60	1.60	1.75	46
Head carpenter	2.25	2.00	2.25	2.50	2.50	2.50	2.75	3.00	3.00	3.00	3.50	55
Carpenters	1.75	1.75	2.00	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	42
Helpers	1.50	1.50	1.50	1.40	1.40	1.40	1.60	1.60	1.60	1.60	1.60	7
Masons	2.75	2.75	4.00 2.75	4.00 2.75	3.25	4.00	4.00	4.00	4.00	4.00	4.00	45
Helpers	1.20	1.20	1.35	1.40	1.40	1.40	1.50	1.50	1.60	1.60	2.50 1.60	33

Scale of wages at New York and Pennsylvania Company's Johnsonburg mill from 1898 to 1908—Continued.

Names.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	Per cent.
Repair crew—Continued.												
Machinists	$2.50	$2.50	$2.50	$2.75	$2.75	$2.75	$3.00	$3.00	$3.00	$3.00	$3.50	20
							2.75	2.75	2.75	2.75	3.00	
Do	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.75	22
Do	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.25	2.25	2.50	25
Helpers	.....	1.20	1.35	1.50	1.60	1.60	1.75	1.75	1.75	1.75	1.75	46
Millwright	2.50	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75	2.75	10
Boiler maker	2.50	2.50	2.50	2.75	2.75	3.00	3.00	3.00	2.25	2.25	2.75	10
Helpers	1.50	1.50	1.50	1.40	1.60	1.60	1.75	1.75	1.75	1.75	1.75	16
Pipe fitters, headman	2.00	2.00	1.75	2.00	2.75	3.00	3.00	3.00	3.00	3.00	3.00	50
Do	1.50	1.50	1.75	1.90	1.90	2.00	2.00	2.25	2.25	2.25	2.50	66
Pipe fitters, helpers	1.20	1.20	1.35	1.40	1.75	1.75	1.75	2.00	2.00	2.00	2.00	46
					1.40	1.40	1.40	1.50	1.50	1.50	1.75	
Painters	1.75	1.75	1.90	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50	43
Do	1.20	1.20	1.35	1.60	1.60	1.60	1.75	1.75	1.75	1.75	1.75	46
	1.50	1.50	1.65	1.80	1.80	2.00	2.00	2.20	2.20	2.20	2.35	56
Rotaries	.....	1.20	1.45	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.85	54
	.....	.....	1.35	1.40	1.40	1.40	1.40	1.40	1.40	1.50	1.60	18
										1.40	1.50	.....
Rewinders	1.25	1.25	1.50	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.75	40
Size maker	1.50	1.75	1.75	1.85	1.85	2.00	2.00	2.00	2.00	2.00	2.00	33
Sample folder	.....	.75	1.15	1.30	1.30	1.40	1.40	1.40	1.40	1.40	1.40	86
Shippers	1.75	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	1.50	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Evaporator men	1.75	1.75	1.75	1.85	2.00	2.10	2.10	2.10	2.30	2.30	2.50	43
												37.08
Acid:												
Headman	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	.....
Helper	1.50	1.50	1.50	2.00	2.00	2.25	2.25	2.25	2.50	2.50	2.70	80
Do	.....	.....	.....	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.85	23
Bleachers:												
Headmen	1.75	1.75	1.75	1.75	1.90	1.90	1.90	1.90	1.90	1.90	2.15	23
Helpers	1.25	1.25	1.35	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75	40
Engineers	1.90	1.90	1.90	1.90	1.90	2.10	2.25	2.25	2.25	2.25	2.40	26
Chipper men:												
Headman	1.60	1.60	1.60	1.60	1.60	1.70	1.70	1.80	1.80	1.90	1.90	19
Helpers	1.40	1.40	1.40	1.40	1.40	1.60	1.60	1.60	1.60	1.80	1.70	21
Do	.....	.....	.....	.....	.....	1.40	1.40	1.40	1.40	1.70	1.60	14
Digesters:												
Headman	2.00	2.25	2.25	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.25	62
Helper	1.50	1.50	1.65	1.65	1.65	1.65	1.65	1.80	1.80	1.80	2.15	43
Machine:												
Machine tender	2.00	2.00	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.40	20
Cutter	1.50	1.50	1.65	1.70	1.70	1.75	1.90	1.90	1.90	1.90	2.15	43
Wheelers	1.25	1.50	1.65	1.65	1.65	1.65	1.50	1.50	1.50	1.50	1.80	44
Do	1.20	.....	.....	1.60	1.50	1.50	1.50	1.50	1.40	1.50	1.80	50
												35.28
Filters:												
Filter man	1.75	1.75	1.75	1.90	1.90	2.00	1.90	1.90	1.90	1.90	1.90	8
Helper	.....	1.50	1.60	1.80	1.80	1.90	1.50	1.50	1.50	1.50	1.60	7
Do	.....	.....	1.40	1.70	1.70	1.70	.....	1.40	1.40	1.40	1.50	.....
Do	.....	.....	.....	.....	1.40	1.40	.....	.....	.....	.....	.....	.....
Finishers:												
Head man	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	.....
Trimmer	2.00	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.25	12
Finishers	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	14
Do	1.50	1.50	.....	.....	.....	.....	1.75	1.75	1.75	1.75	1.75	16
Frame handler	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	7
			1.50	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	
Counter girls	.90	.90	1.00	1.15	1.15	1.15	1.15	1.25	1.25	1.25	1.25	40
Do	.75	.75	.....	.90	.90	.90	1.00	1.15	1.15	1.15	1.15	53
Leachers:												
Leacher men	1.60	1.60	1.60	1.80	1.80	2.00	2.20	2.20	2.20	2.20	2.35	47
Helpers	.....	.....	.....	.....	.....	.....	1.40	1.40	1.40	1.40	1.50	.....
Machine men:												
Pulp machine tenders	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.25	12
Pulp back tenders	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60	1.60	1.60	1.75	16
Pulp finisher	1.60	1.60	1.60	1.60	1.65	1.65	1.65	1.65	1.65	1.65	1.80	12
Pulp reel boy	.75	.75	1.35	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.50	100
Paper machine tenders	3.50	3.50	3.50	3.50	3.80	3.80	3.75	4.00	4.00	4.00	4.00	14
					4.30	4.30	4.30	4.30	4.30	4.30	4.30	
Paper back tenders	1.60	1.60	1.60	1.75	2.15	2.15	2.00	2.00	2.00	2.00	2.00	28
					1.90	1.90	1.90	2.15	2.15	2.15	2.15	
Paper third hand	1.20	1.20	1.35	1.60	1.60	1.65	1.60	1.60	1.60	1.60	1.60	20
			1.30	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	
Broke hustler	.....	.....	.....	1.00	2.00	1.45	1.45	1.45	1.45	1.45	1.45	.....
Do	.....	.....	.....	.....	1.45	.....	.....	.....	.....	.....	.....	.....

Scale of wages at New York and Pennsylvania Company's Johnsonburg mill from 1898 to 1908—Continued.

Names.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	Per cent.
Machine men—Cont'd.												
Reel boys	.....	.....	.....	.....	.....	$1.00	$1.45	$1.45	$1.25	$1.25	$1.25	.....
Do	.....	.....	.....	.....	.....	.....	.....	1.25	.....	.....	.....	.....
Cutters:												
Cutter man	.....	.....	$2.50	$2.60	$2.65	3.00	3.25	3.25	3.25	3.25	3.00	20
Helpers	.....	.....	1.35	1.40	1.50	1.65	1.65	1.65	2.50 2.00 1.65	3.00 2.00 1.65	2.50 1.75 1.65	22
Do	.....	.....	.....	.....	1.40	1.40	1.60	1.60	1.60	1.60	1.60	.....
Girls	.....	.....	.....	.....	.80	.90	.90	.90	1.00	.....	.....	.....
Do	$0.75	$0.75	.80	.90	1.00	1.00	1.00	1.15	1.15	1.15	1.15	53
Steam batteries:												
Water tenders	2.00	2.00	2.15	2.25	2.25	2.45	2.45	2.45	2.45	2.45	2.90	45
Do	1.75	1.50	1.35	2.10 1.80	2.10 1.80	2.25	2.20	2.20	2.20	2.20	2.40	37
Do	.....	1.65	1.90 2.00	1.90	1.90	2.25	2.45	2.45	2.45	2.45	2.60	58
Firemen	.....	1.40	1.65	1.80	1.80	2.00	2.20	2.20	2.20	2.20	2.35	68
Do	.....	.....	.....	.....	.....	.....	.....	.....	1.75	1.75	.....	.....
Ash men	.....	1.20	1.35	1.45	1.45	1.45	1.50	1.50	1.50	1.50	1.80 2.00	66
Yard:												
Teamster	1.75	1.75	1.75	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	6
Helpers	1.35	1.35	1.35	1.50	1.50	1.50	1.50	1.50	1.50	1.65	1.65	22
Truck loaders	1.30	1.30	1.60	1.60	1.50	1.75	1.75	1.75	1.75	1.75	1.75	34
Laborers	1.20	1.20	1.35	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.50	25
Calender men:												
Head man	.....	.....	2.00	2.25	2.00	2.00	2.25	2.50	2.00	2.00	2.35	17
Calender men	.....	.....	1.80	1.80	1.80	1.80	1.80	2.00 1.80	1.80	1.80	2.00	11
Helpers	.....	.....	1.35	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.90 1.50	11
												29.06
Alkali room:												
Headmen	1.80	1.80	1.80	2.00	2.00	2.00	2.20	2.20	2.50	2.50	2.50	38
Helpers	1.60	1.60	1.70	1.90	1.90	2.00	2.00	2.00	2.00	2.00	2.35	47
Do	1.35	1.35	1.45	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.75	30
Do	.....	.....	.....	.....	.....	.....	1.40	1.40	1.40	1.40	1.50	.....
Bleachers	1.60	1.60	1.60	1.70	1.90	1.90	1.90	1.90	1.90	1.90	2.15	34
Do	1.50	1.50	1.50	1.60	1.40	1.40	1.40	1.40	1.40	1.40	.....	.....
Do	1.00	1.20	1.15	1.40	1.10	1.10	1.10	1.10	1.10	1.10	1.10	10
Do	.....	1.00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Beater men:												
Headmen	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	40
Color men	1.75	2.25	2.50 4.25	2.50 2.25	2.50 2.25	2.50 2.25	3.00 2.25	3.00 2.75	3.00 2.75	3.00 2.75	3.00 2.75	57
Helpers	1.35	1.35	1.35	1.50	1.50	1.60	1.65	1.65	1.65	1.65	1.70	26
Do	1.25	1.25	.....	1.45	1.45	1.50	1.60	1.60	1.60	1.60	1.70	36
Do	1.20	1.20	.....	1.40	1.40	1.50	1.55	1.60	1.60	1.60	1.60	33
Do	.....	.....	.....	.....	.....	1.45	1.45	1.45	1.45	1.60	1.60	.....
Brown stock	1.40	1.65	1.50	1.60	1.60	1.70	1.70	1.70	1.70	1.75	1.85	32
Do	1.25	1.40	1.40	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.50	20
Wet machines	1.65	1.65	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	6
Do	1.00	1.00	1.20	.....	.....	.....	1.40	1.40	1.40	1.40	1.40	40
Engineers:												
Corlis Nos. 1 and 2	1.50	1.50	1.50	1.60	1.60	1.75	1.90	1.90	1.90	1.90	1.90	26
Ideal	1.40	1.40	1.60	1.70	1.70	1.75	1.90	2.15	2.15	2.15	.....	53
Corliss No. 3	.....	.....	2.25	2.25	2.25	2.50	2.75	2.75	2.75	2.75	2.75	22
Do	.....	.....	2.00	2.00	2.00	2.00	2.20	2.20	2.20	2.20	2.20	10
Do	.....	.....	.....	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.50	.....
Heaters	.....	.....	.....	.....	.....	.....	.....	2.00	2.15	2.15	2.30	.....
Electric, manufacturing	.....	.....	.....	.....	.....	.....	.....	.....	2.50	2.50	2.90	.....
Chippermen	1.75	1.75	1.75	1.90	1.90	1.90	1.90	1.90	1.80	1.80	1.90	8
Helpers	.....	1.25	1.40	1.50	1.50	1.50	1.50	1.50	1.70	1.70	1.80	44
Do	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.60	1.70	.....
Cleaners	1.20	1.20	1.35	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.5?	25
Digesters:												
Head men	1.75	1.75	1.75	1.95	1.95	2.00	2.10	2.10	2.25	2.25	2.50	43
Helpers	1.25	1.20	1.40	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75	40
Drainers	1.25	1.25	1.00	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.50	20
Do	1.20	1.20	1.15	1.10	1.40	1.40	1.40	1.40	1.40	1.40	1.50	25
Do	.75	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Do	.....	.....	1.00	.....	.....	.....	.....	.....	.....	.....	.....	.....
Felt washer	.....	.....	1.35	1.50	1.50	1.60	1.60	1.75	1.75	1.75	1.75	30
Electrician	1.75	1.75	2.00	2.25	2.25	2.25	2.50	3.00	3.00	3.00	3.00	71
Helper	.....	1.50	1.50	1.50	1.75	1.75	2.25	2.25	2.25	2.25	2.25	50
												32.71

Rates of tariff on paper.

Ground wood, $\frac{1}{8}$ cent per pound.
Chemical fiber, $\frac{1}{4}$ cent per pound.
Bleached chemical fiber, $\frac{1}{4}$ cent per pound.
Printing paper, value 2 cents per pound.
Wrapping paper, various grades.
Parchment.

Rates on supplies for paper mills' use.

Clay	$2.50 per ton
Felts	44 cents per pound and 60 per cent or 100 per cent
Colors	
Wire cloth	35 per cent
Cotton dryer felts	45 per cent
Hemp twines	13 cents per pound or 100 per cent
Alum and alum cake	$\frac{1}{4}$ cent per pound or 50 per cent
Lumber	
Machinery	45 per cent
Steel forgings	35 per cent
Steel sheets	35 per cent
Soda ash	25 per cent
Leather belting	35 per cent
Rubber belting	30 per cent
Salt	8 to 12 cents per hundred
Bleach	20 per cent

Wages.

	American.	European.
Women	About $1 per day (indoor work)	$0.37½ to $0.50
Men	From $1.50 to $5 per day, variation based on skill	.50 to 1.50

Investment.

It is estimated that the amount of capital invested in the manufacture of book papers, and grades of paper included in that category, is, in round figures, about $105,000,000. In this investment are included the working capital and the value of timber lands and soda fiber and sulphite mills, which are maintained, operated, and conducted in connection with such book-paper plants.

All book-paper mills, however, are not equipped with their own chemical fiber mills for the manufacture of sulphite and soda pulp.

Labor.

The aggregate number of wage-earners employed in the mills manufacturing book paper and similar grades in the United States, including the soda-fiber and sulphite plants operated and conducted in connection therewith, is estimated to represent an army of, approximately, 30,000.

Conclusion.

It is contended that—so far as the paper-making industry is concerned—a protective tariff which insures for the American workingmen employed therein the highest scale of wages of any similar class of labor in any other country, and at the same time provides him with

abundant opportunity for employment, is of itself one of the most potential arguments that can be advanced in favor of its retention.

Experiment might not only prove fallacious, but disturbing to the paper-making industry as a whole, and perhaps inflict unnecessary and unjust hardship upon our American wage-earners.

The tariff duty on paper and pulp should be maintained and continued at its present standard. It is not alone required in the interests of the paper manufacturer, but likewise in the interests of the large army of American laborers dependent upon that industry for its employment.

Respectfully submitted.

GEORGE SULLIVAN.

PROF. W. H. KRUSE, CONCORDIA COLLEGE, FORT WAYNE, IND., WISHES SCIENTIFIC WORKS TO BE DUTY FREE.

FORT WAYNE, IND., *November 28, 1908.*

Hon. S. E. PAYNE,
Washington, D. C.

DEAR SIR: I noticed in the papers the other day that a number of New York publishers and printers appeared before your committee to urge a duty on books, pamphlets, and periodicals printed in foreign languages, which would include all scientific works. No doubt thousands of men engaged in intellectual pursuits feel exactly as I do in this matter, but they are likely to let this thing go by default and to come out with their protests when it is too late. In your letter to Mr. Carnegie you indicated a desire to hear from the citizens of this country in regard to the new schedules, and this encourages me to hope that you and your committee will not let my protest go unheeded.

Whether we like it or not, the most minutely specialized work and research is still done in Europe, and it is the sheerest folly to try to change this by a duty on such books. Whenever in our reading and study we reach a point that puzzles us we glance over the catalogues of European publishers, and usually find a few pamphlets and monographs restricted absolutely to this one point. This places at our disposal the very latest and best information that the world possesses. No encyclopedia can go so thoroughly into details and treat a subject so fully in all its bearings, to say nothing of the fact that they are necessarily from five to fifteen and more years behind the advance guard of the scientists. Just to give you an illustration: A physician of my acquaintance wished to get the very latest information on bleeding of the lungs (pulmonary hemorrhages); in four weeks he had a pamphlet of about two hundred pages that absolutely covered the subject and gave him all that the foremost men of Europe know. This same condition obtains in all branches of knowledge, particularly natural science and mathematics.

It seems to me a very short-sighted policy to obstruct even to the smallest extent the importation of ideas. Germany owes, in a large measure, its tremendous advance along industrial lines to the fact that they bring exact scientific knowledge to bear upon problems of manufacture. In America we are rapidly adopting the same method, and it would be strange, indeed, if we Americans, with our proverbial

knack of getting material benefits from abstruse scientific truths, should not far outstrip the Europeans. Only recently a German professor in a technical school warned the graduating class against admitting Americans to their factories, "for," he said, "they need only see a machine once and they will go home and build a better one." What is true of a visit to a factory in Europe applies in its way to books printed in a foreign language.

You are no doubt aware that all American universities require a reading knowledge of French and German of all candidates for a higher degree. The reason of it is that no man can do thorough work and keep abreast with the times in any line of research without these two languages. Those publishers of New York are assuming a very narrow and unpatriotic attitude; they are proposing to kill the goose that will in time lay golden eggs. The only books that could seriously compete with American publications are those from England, and no one has thus far proposed to levy a duty upon them. If the States are justified morally, legally, and economically in appropriating millions of dollars every year to the maintenance of universities and technical schools, some man with more logic than sense might conclude a bonus ought to be paid to every man importing a scientific work from abroad. Of course, no one asks that; we are satisfied to have present conditions remain as they are. It is bad enough to be subjected to the tantalizing torture of waiting a month or more for a book you want and really need in order to go ahead. If an American book of similar scope and thoroughness is to be had, we naturally buy it rather than put up with this long delay that so frequently dulls the edge of our enthusiasm. The gain to the Treasury from a duty on foreign books would be insignificant; the profits of these publishers ridiculously small compared with the immense harm such a provision of the law would do. These books are to us not luxuries but necessities, and we, as a class, are so placed financially that a duty on such books would be a real hardship.

Hoping that you and your committee will make no change in the present wise policy, I am,

Yours, respectfully,

W. H. KRUSE,
Concordia College.

W. P. CUTTER, FORBES LIBRARIAN, NORTHAMPTON, MASS., SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO BOOKS.

NORTHAMPTON, MASS.,
November 30, 1908.

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: In view of the brief submitted to you by the Typothetæ of the city of New York at the hearing on November 21, 1908, and the brief submitted by Mr. Brassil, representing the Employing Bookbinders' Association of New York, and that of Mr. Rogers, of the International Brotherhood of Bookbinders, I beg leave to submit the following additional brief.

The Typothetæ in their brief ask your committee:

1. To increase the duty on books of all kinds, including blank books and pamphlets, and engravings, bound and unbound, photographs,

etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing not specially provided for in this act, from 25 to 75 per cent ad valorem.

2. To allow of free importation for the Library of Congress of printed material for that institution.

3. To do away with the privilege of free importation for public and educational institutions, including public libraries.

4. To do away with free importation of books in foreign languages, and of books in the English language which have been printed more than twenty years, and of books printed by individuals for free distribution, and of books imported for the use of the United States elsewhere than in the Library of Congress.

I shall take up these suggestions in the above order.

1. This is tariff protection which is prohibitory. The cost of the manufacture (and by this I mean the composition, making plates, paper, presswork, and casing) of the ordinary cloth-bound book does not average more than 25 per cent of the invoice value. The protection advocated would amount to a tax of 300 per cent of the cost of manufacture. To ask the citizens of this country to bear such a burden on the plea that it would protect American workingmen is an insult to the intelligence of the committee. The present duty is high enough to afford all the protection needed. I quote from a letter I have just received from the largest importer of foreign books in New York City the following:

I do not think that during the last five years there have been published five books in a foreign language which it would have been profitable to reprint in this country; in fact, I do not know of any at present that has sold in more than 500 copies, not only through us, but through all importers combined. There are, of course, imported a number of English books and these come in in sheets, in editions possibly from 500 to 1,000 copies and more. They are imported by New York branches of London publishers and by other firms that act as special agents for the London publishers. While these are dutiable, the amount collected is exceedingly small, since it was published in the papers about a year ago that a book selling in this country at $2 is invoiced from abroad at about 8 pence in sheets. The appraiser tried to raise the value, but the case went to court and the importers won on their statement that they should not pay any duty on the royalty being only paid on copies actually sold, while the copies they were importing were not sold. (From letter of G. E. Stechert to W. P. Cutter, dated November 25, 1908.)

I quote this letter to show that there is no need of protection for books in foreign languages, as there is small sale for them here, and that it is the custom of New York houses who are closely connected with these New York Typothetæ, to import sheets of a $2 book, paying a duty of only 4 cents a copy; that at the same time the individual importing the book would have to pay at least 40 cents duty, and under the suggested amendment he would have to pay at least $1.25 duty on a book that cost the New York publisher a little over 30 cents, duty paid; in other words, the printers, who are either publishers themselves, or work for them, are asking an outrageous amount of protection.

2. We all agree that the Library of Congress should have every facility for obtaining literature, without restriction. I would suggest that lithographs should be added to the schedule in paragraph 500. But I especially call your attention to the suggestion that all books "for the use of the United States" should be duty free. You all know that there are many collections of books, not only in Washington, for governmental use, but in Annapolis, West Point, Willetts

Point, and indeed everywhere that the Government has established institutions where study is necessary for the proper conducting of government. It is of course an absurdity to ask the Government to pay duty; it only shows the lack of serious study embodied in the suggestions of the Typothetæ.

3. The public educational institutions of this country have enjoyed the privilege of free importation of books and scientific instruments since 1816. They are part of the implements of the profession of education. As I have shown in my former brief, the importations of books are a very small percentage of the total consumption, a still smaller percentage being books which would ever sell in this country sufficiently to allow of reprinting here.

4. No country in the world taxes books printed in a language other than that spoken in the country. Such a tax would be a crime against our people. It is suggested merely to place importation in the hands of a few men in New York, who are grasping for all they can get. It is retaliation against the public institutions and educators of this country, who are the purchasers of 90 per cent of these books.

Books printed more than twenty years are second-hand books. Not 1 per cent would ever be printed in this country. Many of them are already bound in leather, and were bound, not to compete with American workmen, but to preserve them for future generations. They are bought by public institutions solely for their contents, or as samples of the printing of past ages. They are books for scholars. If the binding is an artistic binding, it ranks with other art objects, which, for the education of our people, should come in free.

Books printed privately for private distribution are almost entirely small pamphlets, with negligible value. To tax them is an absurdity.

As near as I can determine from a somewhat close examination of the statutes, the present duty of 25 per cent was a war tax, having been first levied in 1864. It has never been reduced. It has served, not only to foster the printing and publishing trades, insure higher wages, but even has led to an agreement on control of prices, which was first made in 1901 and is still in existence, although ostensibly abandoned in 1907. I can personally see no reason for the continuation of such a duty. It serves not so much to protect the American workingman as to build up a monopoly controlling the sale of books at standard high prices, and as such is fostering a combination which the courts have declared illegal.

I personally believe that the duty should be reduced. I do not believe it should be entirely stricken off, for the printing of books in this country would cease. If libraries are to be denied free entry, the duty should be decreased. If they are given free entry, the libraries as such have no opinion to express.

I append several letters sent to J. C. Dana, chairman of my committee. I could file 100 such letters, but do not desire to cumber the report with them.

Very respectfully,

W. P. CUTTER,
Committee on Book Buying, American Library Association.

EXHIBIT A.

PUBLIC LIBRARY OF CINCINNATI,
Cincinnati, Ohio, November 16, 1908.

MR. JOHN C. DANA,
Librarian Newark Free Library, Newark, N. J.

MY DEAR MR. DANA: I was somewhat staggered upon receiving yours of the 13th, in which you state that an attempt may be made to do away with the free importation of books for libraries. It goes without saying that the imposition of a duty on books imported for libraries would be a direct tax on education. We do not import wittingly American books, that is, books written by Americans. We import very little fiction, but we do import a good many books in history, literature, science, and the fine arts. We import those books only when we can get them on the other side for less money than the same books can be had in the United States, that is, when we can save the additional charge of the duty. The books that we import are, for the most part, to be had only by importation; they are not books which are republished on this side of the water.

Yours, very truly,

N. D. C. HODGES,
Librarian.

EXHIBIT B.

CLEVELAND PUBLIC LIBRARY,
Cleveland, November 19, 1908.

MR. JOHN COTTON DANA,
Librarian Free Public Library,
Newark, N. J.

MY DEAR MR. DANA: I am greatly interested in retaining the right of free importation of books for libraries, because it is absolutely illogical to tax an institution for free popular education and inconsistent with recognized public policy which exempts it from all other taxes. It would not only increase by the amount of the duty the cost of English books which libraries import, but it would place them still more at the mercy of the publishers in this country by destroying the only existing competition. I sincerely hope that the law will remain unchanged in this respect.

Yours, very truly,

W. H. BRETT, *Librarian.*

EXHIBIT C.

SALEM PUBLIC LIBRARY,
Salem, Mass., November 17, 1908.

MR. J. C. DANA,
Free Public Library, Newark, N. J.

DEAR MR. DANA: In the revision of the tariff I trust that there will be no restriction on the free importation of books by public libraries, colleges, and learned societies. Our National Government has always encouraged learning and education, but an import duty on books

directly discourages both of these important interests. By increasing the cost of books it diminishes the number that can be bought, thereby lessening the library's service to the public. It is directly in the line of the library's most important work, the educational, that this restriction would most be felt. Popular fiction and other ephemeral books are generally reprinted in this country at prices less than they can be imported, while the more serious scholarly books are so costly to reprint and the demand is so small that one edition serves both the foreign and American market. Any action that increases the cost of such books is unworthy of our enlightened nation.

Yours, very truly,

GARDNER M. JONES.

EXHIBIT D.

NEW YORK STATE LIBRARY,
Albany, N. Y., November 14, 1908.

Mr. J. C. DANA,
Chairman Bookbuying Committee of the
American Library Association, Newark, N. J.

MY DEAR MR. DANA: I am distressed to learn that there is a possibility of another attempt at the abolition of free importation of books for libraries at an early hearing of the Ways and Means Committee.

The chief reason for opposing any such action is always that such restriction lays the United States under the imputation of hostility, or at any rate of discouragement, toward the means and facilities for not only creative scholarship, but for ordinary intellectual information and progress. With free importation, the important libraries of the country can provide books at a minimum of expense and in quantity sufficient to provide easy resort for scholars. Without importation these scholars and thousands of individuals would be obliged to provide such books for themselves at much greater cost and in far larger quantities than if the libraries could make them more freely and generally available.

Very truly, yours,

J. I. WYER, Jr.

EXHIBIT E.

THE BUFFALO PUBLIC LIBRARY,
Buffalo, N. Y., November 14, 1908.

Mr. JOHN COTTON DANA,
Free Public Library, Newark, N. J.

MY DEAR MR. DANA: I most sincerely hope that no interest will persuade our representatives that it is either good policy or can in any way be of service to the American people to do away with the privilege of the free importation of books now granted to educational institutions.

Such importations are, for the most part, of books not reprinted in this country, but of great value to the few through whose study the whole are benefited. Others are of books the American editions of which are not suitable for public library use or are too expensive for such use, and therefore would not be purchased.

Few American publishers could in any way benefit by the exclusion of the bulk of the books now imported by libraries, and it would be a calamity, as well as a great tax upon public education. It would be to grant a doubtful benefit to a few individuals at the certain expense and to the positive harm of all American readers and students.

Yours, very truly,

WALTER L. BROWN,
Librarian.

EXHIBIT F.

LIBRARY OF PRINCETON UNIVERSITY,
Princeton, N. J., November 16, 1908.

J. C. DANA, Esq.,
Public Library, Newark, N. J.

MY DEAR MR. DANA: Referring to yours of November 13:

1. The chief advantage of free importation of books for libraries is negative. It saves us a nation from the unequivocal stamp of hopeless Philistianism.

2. The justification for free importation is of course popular culture or education. Free importation of books encourages this. As a Republican protectionist I hold that the business of education should be highly protected by the State through free admission to all consumers of its raw materials, whether books or pictures, and by large subsidies in the way of national, state, and municipal appropriations for the purchase of books for free public libraries. A tax on books, pictures, and apparatus is a tax on the necessaries of education, and is justified only in some great political need, such as a war tax.

3. Whatever justification there may be for a tax on private consumers of books and pictures, the taxing of free libraries is an economic self-contradiction. The money spent for the books is raised by local taxation or given for the public good. For the Federal Government to raise money for federal expenses by taxing taxes raised for local education is contrary to the spirit of our institutions and it is self-contradictory and futile in that it is simply paying out of one pocket of funds intended for the public welfare into another. In this case it is paying out of education into federal expenses, but at bottom it reduces to the same economic absurdity that would rise if a municipality should tax its own school buildings.

4. Practically speaking, the advantage of free importation of books is like the advantage of the free importation of tools of precision not made in this country; it encourages and enables the production of better work, without interfering at all with home industry.

Very sincerely, yours,

E. C. RICHARDSON.

W. P. CUTTER, NORTHAMPTON, MASS., FURNISHES ADDITIONAL STATEMENT RELATIVE TO FREE BOOKS.

NORTHAMPTON, MASS., *November 30, 1908.*,

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: It has occurred to me that a few suggestions from me in my private and personal capacity may be of service to the committee in considering the schedule covering paper and manufactures of paper, concerning which your committee was kind enough to hear me in an official capacity on November 21. As experience is the first criterion in judging of one's ability to give an opinion, I may point out that I have been engaged in the purchase of books for public institutions since the year 1890; that ten years of this service was in the Library of Congress and the library of the Department of Agriculture; three years in the library of a small college in Utah; four years in this, a medium-sized public library, much frequented by scholars.

There seems to be some confusion in the minds of some of the committee with reference to binding done abroad for export to this country. In the trade, a leather binding is known as an "extra" binding, as opposed to the commercial cloth bindings, which are largely the work of machinery. Extra binding is practically all hand work. It may be divided into two classes, that done simply to insure durability, and that done to decorate the book. The former is the work of the ordinary binder; the latter that of the art binder. The latter includes originality of design, richness of material, and the highest grade of work. The former requires durable material, honest workmanship, and that is all.

The ordinary cloth case placed on a book by the publisher is sufficiently durable for private use, provided the book is not too heavy or too severely used. Even for private use leather makes a much more durable binding. For public library use, especially in books having a large circulation, an extra durable binding of leather, with a sewing adapted especially to library conditions, is a desideratum.

We may then say that there are really four kinds of bindings required:

1. Cloth cases for private libraries and ephemeral literature.
2. Durable leather binding for private libraries, where the book is either heavy, in constant use, or is in a set worthy of a better binding.
3. Plain, but especially substantial binding for books having large circulation in a public institution.
4. More or less elaborately decorated binding, for rare books, or the libraries of wealthy persons who are willing to pay for artistic excellence and expensive work.

In considering the placing of a duty on binding it should be borne in mind that there is such a difference. To differentiate further, let me say that of the above classes, class 1 is very cheap, costing only a few cents. Class 2, on the ordinary octavo book, will cost from 25 cents to $1 per volume. Class 3, from 50 cents to a dollar. Class 4, from $5 or less to a thousand dollars or more per volume.

There are some of our citizens who prefer genuine Sevres porcelain to any American product. There are some who prefer Paris gowns

to the New York City product. So there are some who prefer a binding by Zaehnsdorf of London, or Riviere, to any work, however meritorious in design, done in New York City. They prefer these bindings because they believe that they are more artistic, or simply because they like them better. If we consider these bindings simply from the artistic standpoint, they would or should be entered free as works of art. If we consider them no more works of art than a Paris gown, they might well be dutiable, not only for revenue, but for the protection of the American workman who is attempting to develop artistic binding in this country. But the duty should be a reasonable one.

Class 2, called in the trade edition "extra bindings," are almost entirely made for publishers or booksellers. The cost of the extra binding is often doubled or trebled in the additional cost of the book in an extra binding. Such binding can well afford a moderate duty for purposes of protection or revenue. Libraries often have consecutive volumes of sets of a periodical published in a foreign country bound in that country, for the sake of uniformity, and to insure parts not being lost. Very few libraries send books once their property in this country to any other to be bound, except as a few may desire especially durable work.

Class 3 represents this special work. I can say from my own experience that a durable binding for a book in constant circulation is one of the most difficult things to insure. The paper now being used in books is of such a flimsy character that especial precautions must be taken to adapt the work to this special use. Such work requires especial study and constant experiments, both with material and methods. Some of the libraries of the country have become convinced that a certain firm having branches in Brooklyn, N. Y., and in Bath, England, has given the preparation of these bindings more careful study than any other firm. These libraries have therefore given some of their binding to this firm. In my own library I have tried many binders. I have told them to put on the most durable binding they could make. I have given them explicit directions. The result has been a great disappointment. The binders have had in mind cheapness rather than goodness. Up to the present time I have, after all these trials, employed the binder in Brooklyn and in Bath. Some books go to England; some do not. The books cost a high price compared with the work offered by the ordinary American binder. But they are bound forever, and in the long run they are cheaper.

The binder in his Brooklyn shop has a nonunion shop. There have been attempts made to induce him to go into the union. He has refused. He pays union wages and his people work union hours.

These are the facts. I have no quarrel with the American binders, nor am I under any obligation to any binder either here or elsewhere. When I find an American binder that will do the work, not promise to do it, but really do it, I will employ him.

I take the liberty of appending two documents. The first is a communication from Mr. Cedric Chivers, of Brooklyn and Bath, England, addressed to the Library Journal; the second is the comment of the editor of that publication. The former statement, which I have no reason to doubt in the slightest particular, shows that the size of Mr. Chivers's business in Brooklyn, employing American labor, is of sufficient importance to justify his being heard as an American manufacturer.

I append also the original of a letter from Mr. A. L. Bailey, chairman of the American Library Association Committee on Bookbinding, stating, in response to a letter of mine, his official opinion of this binding. Mr. Bailey has made the most searching investigations into library bindings, and his opinion is worth much more than mine.

Very respectfully,

W. P. CUTTER.

EXHIBIT A.

THE OTHER SIDE OF THE BOOKBINDING CONTROVERSY.

[The Library Journal, November, 1908.]

The other side of the bookbinding controversy is represented in the following statement by Mr. Chivers:

My attention has been called to the publication in the Library Journal of the resolutions recently passed by the board of aldermen of the city of New York and to the affidavits from members of the International Brotherhood of Bookbinders regarding sending public library books to England for binding.

As some of the statements made appear to be rather misleading, I beg to present the full facts in the case.

From the wording of the affidavits it would seem that I merely have an office at 911–913 Atlantic avenue, Brooklyn, for the sole purpose of receiving and dispatching bookbinding abroad, and that all work sent to me is done by aliens.

The truth is I have here a large bookbinding business employing 80 hands, among whom there are only two women and two men who are not American citizens.

My workshop is an "open one," but some of the men in my employ are union. I make no difference when putting on a workman as to whether he is union or not. The conditions under which my workshops are conducted with regard to hours and wages are second to none in advantages to the workers.

It has been complained by the representatives of the trades union that New York suffers from the fact that while unemployment is rife, work is being sent away from this city. I wish to submit that this is not a complete or fair statement of the case. Per contra, I am the cause of more bookbinding being done in New York than was done before I established my business, for I am drawing work from other places. My improved methods of work and better materials are the basis of practically a new business in this city, and I repeat, there is to-day more bookbinding being done here because of my establishment, and not less, as is alleged.

Regarding the sending to England of a portion of the work I receive, the facts are these:

I was invited by a number of the chief librarians of the United States to establish myself in this country for the purpose of binding public library books according to methods and patents which had effected great economies in England and its colonies.

About four years ago I started a bookbinding business in New York, and immediately employed a considerable staff of Brooklyn

work people. My success has enabled me to steadily increase this staff, and they find constant employment with me up to the present time without a day's loss of time or wages.

But my business has grown so rapidly that I have had more work than it has been possible for me thus far to educate a staff to accomplish here. In spite of one removal I am now negotiating to enlarge my present premises. All this has rendered it desirable in order to give prompt service to the libraries to temporarily avail myself of my English workshops. This temporary help during the costly period of training and establishment here has enabled me to do work at a less cost than would otherwise be possible.

I explained to the trades union delegation when they called at my bindery that having a part of the work done abroad was only a temporary expedient, and that I am rapidly training workers into my special methods and enlarging my premises, in order to do the work in this country. I may add that the ability to send a share of the binding abroad has greatly benefited the public institutions for which I work, because it would have been impossible to establish such methods as I have introduced into bookbinding without such aid.

As to the moral and legal rights of the case, I have always understood that since the Congress left it open for libraries to buy and have their work done abroad it was with the special intention that the kind of business I have been doing should be done so that educational institutions should be advantaged.

I was the first bookbinder to recognize the necessity for readapting bookbinding; first, to the severe usage to which books are subjected in public libraries. Before my time, and now beyond the influence of my work, books are bound for hard library service as they are bound for the limited service of the private house.

Second. I have and am adapting the binding of books to the various needs of modern papers, which during the last twenty-five years have varied more in quality than during the previous four hundred years. On both accounts I have made several improvements and introduced new methods in order to meet the necessities of both cases.

The value of these methods and patents have been publicly recognized by the awards of the gold medal at St. Louis, 1904; diplôme d'honneur, at Liege, 1905; grand prix, at Milan, 1906; and the grand prix at the Franco-British Exposition, London, 1908. My examples, also, were considered worthy of public exhibition in the Library of Congress, Washington, D. C., during 1905, when a show case containing samples of my improvements was on exhibition during several months.

I set up a standard of work for public libraries in this country, enabling books to serve for very many more issues, and advantaging the lending-library system of the United States by giving library books much longer life. In other words, my methods have enabled two books to serve the library where formerly three were used. As a result, thousands of dollars are being annually saved in the libraries, books are enabled to live and serve much longer, more books are bought with the money saved, and the cost of administration is considerably lessened.

CEDRIC CHIVERS.

EXHIBIT B.

[Editorial from the Library Journal, November, 1908.]

The bookbinding question raised in New York by the onslaught of the unions upon Mr. Chivers has rather far-reaching relations. The facts are that Mr. Chivers, by the use of his "duro-flexible" binding and the use of stout washable cloth sides with pigskin back has built up a library business in Brooklyn already employing 80 work people and attracting patronage from nearly 500 libraries in different parts of the country. The American business was beyond the possibilities of his present American organization, and perhaps a quarter of the work was sent to his establishment in Bath, England, and reimported under the "free importation for libraries" clause in the tariff. To this the unions naturally took exception, and after various endeavors elsewhere they finally obtained from the New York aldermen the resolution printed in the last issue. The statement of Mr. Chivers in the present number tells the other side of the story and corrects a number of misstatements. Mr. Chivers has done a great service to libraries directly and in bettering the standard of library workmanship in other binderies, and it would be a pity should a narrow and restrictive spirit interfere with his good work. There have been cases where members of a trade union have refused to avail themselves of the privileges of a local library because its work or the books it contained did not bear the union imprint. This is of course a logical result of the extreme union spirit, and it shows to what that may lead. As there is no doubt that Mr. Chivers is within the law in these reimportations, the attack is not likely to be of serious result, especially as it is understood that it is his intention to do more and ultimately all of the work in his American establishment.

EXHIBIT C.

THE WILMINGTON INSTITUTE FREE LIBRARY,
Wilmington, Del., November 24, 1908.

Mr. W. P. CUTTER,
Librarian, Forbes Library,
Northampton, Mass.

DEAR MR. CUTTER: In answer to your question as to my opinion of the Chivers's binding, I wish to say that I believe Mr. Chivers gives the best binding for public library use of any one either in this country or abroad. Several binders in this country have adopted many of Chivers's methods, and in some cases they have endeavored to make the books look like those bound by Mr. Chivers. I have not seen many volumes of such imitations, but such as I have seen are not comparable to the books bound by Mr. Chivers either in appearance or workmanship.

Very truly, yours,

A. L. BAILEY,
Chairman American Library Association Committee on Bookbinding.

THE FACULTY OF BRYN MAWR (PA.) COLLEGE URGES THE FREE IMPORTATION OF BOOKS AND CHARTS.

DECEMBER 3, 1908.

COMMITTEE ON WAYS AND MEANS,
House of Representatives.

GENTLEMEN: The faculty of Bryn Mawr College, informed that certain interests are urging upon your honorable body changes in the tariff which it believes to be seriously detrimental to the cause of public education, has directed the undersigned to act as a committee to bring to your notice its protest against these changes.

The present law contains certain regulations permitting the free importation of books, charts, maps, scientific apparatus, chemicals, etc., for colleges, universities, and libraries, and it is very desirable that these regulations be retained in the revised bill. We are informed that proposals are before you looking to the abrogation of this privilege, a step which would be harmful to all the institutions which benefit by the existing conditions; and in their behalf, as well as in the interests of this college, we urgently beg that no such step be taken by your honorable body. Every year hundreds of students leave this country to visit European universities, and many do this because of the greater library and laboratory facilities to be found on the Continent and because of the liberal manner in which these libraries and laboratories are equipped and research is fostered by the various governments. If the laboratories of research and other educational facilities of our own colleges and universities are to be made in any sense comparable with those of Europe they must have every burden removed which can possibly limit their usefulness. There can be no truer protection to American industries than this kind of protection of American colleges and of American scholars.

We desire to call your attention to another proposed change in the tariff which will injuriously affect American scholars. We are informed that you are asked to include in your revision the removal of the provision of the tariff which permits the free importation of books in foreign languages, and also those in English, published more than twenty years ago. The provision has proved most helpful to those teachers and scholars who are obliged to make use of foreign books in their work. The greater number of these books are never translated into English at all, because being of interest only to specialists they do not warrant an American publisher in undertaking the expense of reproduction, while such as are translated appear in that form only after so long an interval that their usefulness to teachers is materially lessened. American scholars in many subjects are obliged to get these books as soon as published, in order to keep informed as to the progress of investigation in their own departments.

The great bulk of such scholars are poor men, and a tariff on foreign books is for them a grievous burden, which is at the same time quite unnecessary, inasmuch as these books do not come into competition with those published in this country, and consequently no American interest is prejudiced. Indeed, foreign books of the class described not merely do not come into competition with American publications, but assist them in two ways; first, the scholar who needs foreign books to keep abreast of the times needs domestic

ones as well, and our experience is that he is as careful to provide himself with all American books of value as he is with foreign; secondly, foreign books act as a stimulus to the production of independent work in this country.

It has been a matter of congratulation to observe the increasing number of American publications in educational and scientific subjects that have been issuing from the American press in recent years. It is strictly within the limits of accuracy to affirm that the authors of the vast majority of these have had to take account of the recent work done in foreign lands in their subjects. To render it difficult to become familiar with the work of foreign scholars, as the proposed tariff on foreign books would do, is to restrict American production, and thus go contrary to the very principle of protection which the tariff is intended to foster.

Secondly, the importation of old books is a matter of the utmost importance and deserves every possible encouragement. There are gradually growing up in this country libraries, both public and private, of considerable size and value. These collections of books will in time become such as to make us relatively independent of European libraries, and their increase deserves to be furthered in every possible way. All the private collections will in time be scattered to form new private libraries or will be absorbed into the larger public libraries. No such collection can be sold for anything like the cost of making it, so that these private libraries are practically never a source of profit to their owners. The proposed tariff on books, old and new, will make the expense of extending these collections greater than most owners can bear.

We therefore respectfully but urgently ask that no such restrictions upon the usefulness of our colleges and universities and upon the full development of American scholarship may be imposed by your honorable body.

Signed on behalf of the faculty of Bryn Mawr College:

JOSEPH W. WARREN,
THEODORE DE LAGUNA,
WM. B. HUFF,
Committee of the Faculty.

In accordance with the instructions of the faculty:

M. CAREY THOMAS,
President of Bryn Mawr College.

HON. J. VAN VECHTEN OLCOTT, M. C., FILES LETTER OF C. R. CORNING, NEW YORK, ADVOCATING FREE BOOKS.

NEW YORK, *December 8, 1908.*

Hon. J. V. V. OLCOTT, M. C.,
Washington, D. C.

MY DEAR MR. OLCOTT: I find on my desk a memorandum calling for a letter to you concerning the tariff on books which we discussed at the Union League Club a short time since.

The United States is one of the very few civilized countries in which a protective tariff on books is maintained. I view this tariff as affecting principally three classes in the community—the author, the

printer, and the consumer. Provided the author's copyrights are protected, to which there is no objection in the world, the other two alone remain for consideration.

The printer is not dependent on the work of publishing books in this country for his livelihood. The consumers may be divided into those to whom a rise in the price of the books does not make any material difference, but there is a very large intellectual class which, as a rule, is not wealthy and which needs a great many books, which are now burdened with a heavy duty for its work. This class is composed of college professors, college students, professional men of all kinds, such as engineers, architects, lawyers, chemists, physicists, and others. While it may be said that professors and students can avail themselves of the libraries of the institutions which they are frequenting, I know from personal experience how difficult it was when I was a student to at times secure the very books I needed most, because some one else needed them at the same time and they were not in the library. Reference to books of this nature in the library of an institution is often not at all the equivalent of a private ownership, as you will readily understand.

At the present all non-English books are free and all English books more than 21 years old are also free. All other English books pay 25 per cent duty, and not only is this duty payable, but the customs administration of the law in this matter is often of the most unfair. I have come across this matter personally as chairman of the library committee of the Union League Club. When I ordered Stieler's Atlas, a German publication with all its descriptive wording in German, for the use of the library, although it is printed, published, and essentially German, the New York custom-house classed it as an English book because certain geographical names were English. They were English simply because there are no German equivalents and they are, so far as all intents and purposes are served, used in German as German words.

It would be an immense boon to a very large class in this country if all books and all bindings on such books, if of plain character, were made free of duty. I speak particularly of bindings because a great many books published in English are published without bindings; they are simply bound when they come from the press in plain linen or similar material instead of a paper cover, which is the method prevailing on the Continent.

Hoping that something may be possible in this matter, I remain,

Yours, very truly,

C. R. CORNING.

JEROME D. GREENE, SECRETARY OF FACULTY OF HARVARD UNIVERSITY, WRITES IN ADVOCACY OF FREE BOOKS.

WASHINGTON, D. C., *December 19, 1908.*

Hon. S. E. PAYNE, M. C.,
Chairman Committee on Ways and Means.

MY DEAR MR. CHAIRMAN: I am inclosing herewith letter from Mr. Jerome D. Green, who is secretary of the faculty of Harvard University.

Sincerely, yours, H. S. BOUTELL.

CAMBRIDGE, *December 17, 1908.*

Hon. H. S. BOUTELL, M. C., *Washington, D. C.*

DEAR SIR: I hope that the cause of education and of the diffusion of culture throughout this country will not suffer longer the handicap which purely mercantile interests are imposing by their support of the present duty on books printed in England. Whatever may be said about the interests of the consumer as compared with those of the protected manufacturer or artisan in other industries, it seems perfectly clear that the interests of the consumer are paramount where culture is concerned. It would be no more unjust or inexpedient, though doubtless more difficult, to impose a tariff on the importation of ideas than to put an obstructive tax on books and works of art. When one considers the large sacrifices which the people of Illinois and Wisconsin, for example, make to support their educational system—and those States are merely leaders in a movement which characterizes the entire country—it seems inconceivable that the commercial interests of an insignificant number of men should be allowed to stand in the way of what is really one and the same cause, namely, that of popular education and enlightenment.

Sincerely, yours,

JEROME D. GREENE.

TRUSTEES OF NEW YORK LIBRARY, ASTOR, LENOX, AND TILDEN FOUNDATIONS, OPPOSE INCREASE OF BOOK DUTY.

ST. LOUIS, MO., *December 17, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At a meeting of the board of directors of the St Louis Public Library on Thursday, December 17, 1908, the following resolutions were adopted:

"The board of directors of the St. Louis Public Library have learned with much regret that an effort is making to increase the duty now levied on books and other printed matter imported into the United States, and to remove from the free list all classes of books now included therein.

"The existing tariff imposes a duty of 25 per cent ad valorem on books, excepting, however, first, books printed wholly in foreign languages; second, books in English which have been printed more than twenty years; third, books imported for the use of the United States or the Library of Congress, or for the use of libraries, educational institutions, or societies of a literary or scientific character.

"An import duty on books differs entirely in its effect upon the manufacturer from other duties, in that the copyright laws afford protection to authors and publishers quite apart from the tariff.

"The protection afforded, moreover, is extremely limited, affecting only such imported modern books and periodicals as are printed in English. So far as it goes, however, the duty is a tax on knowledge and education; an unwise tax in a republic, the existence of which must always depend on the intelligence of its citizens.

"The removal of books for public libraries from the free list will be distinctly a backward step, as the exemption as now existing

has been the law for many years, and the result will be the imposition of a serious tax upon a class of institutions which have always been favored or supported by all enlightened governments.

"This board therefore respectfully protests against any diminution of the privileges that libraries now possess, and further expresses the opinion that all import duties upon books and other printed matter should be entirely abolished.

"*Resolved*, That an attested copy of the foregoing minute be sent to each member of the Committee on Ways and Means of the present House of Representatives and to each member of the House and of the Senate representing the State of Missouri."

PAUL BLACKWELDER,
Acting Librarian, St. Louis Public Library.

TRUSTEES OF NEW YORK LIBRARY, ASTOR, LENOX, AND TILDEN FOUNDATIONS OPPOSE INCREASE OF BOOK DUTY.

NEW YORK, *December 21, 1908.*

Hon. SERENO E. PAYNE,
Ways and Means Committee, Washington, D. C.

DEAR SIR: By direction of the trustees of the New York Public Library, Astor, Lenox, and Tilden foundations, I have the honor to transmit to you herewith an attested copy of a minute and resolutions adopted by the trustees on December 9, 1908, upon the subject of an effort which, as they are informed, is now being made to increase the duty now levied on books and other printed matter imported into the United States, and to remove from the free list all classes of books now included therein.

Yours, respectfully, C. H. RUSSELL, *Secretary.*

NEW YORK CITY, *December 21, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At a meeting of the trustees of the New York Public Library, held in the city of New York, on Wednesday, December 9, 1908, the following minute and resolutions were adopted:

The trustees of the New York Public Library have learned with deep regret that an effort is making to increase the duty now levied on books and other printed matter imported into the United States, and to remove from the free list all classes of books now included therein.

The existing tariff imposes a duty of 25 per cent ad valorem on books, excepting, however, first, books printed wholly in foreign languages; second, books in English which have been printed more than twenty years; third, books imported for the use of the United States or the Library of Congress, or for the use of libraries, educational institutions, or societies of a literary or scientific character.

An import duty on books differs entirely in its effect upon the manufacturer from other duties, in that the copyright laws afford protection to authors and publishers quite apart from the tariff.

The protection afforded, moreover, is extremely limited, affecting only such imported modern books and periodicals as are printed in English. So far as it goes, however, the duty is a tax on knowledge and education; an unwise tax in a republic, the existence of which must always depend on the intelligence of its citizens.

The removal of books for public libraries from the free list will be distinctly a backward step, as the exemption as now existing has been the law for many years, and the result will be the imposition of a serious tax upon a class of institutions which have always been favored or supported by all enlightened governments.

This board, therefore, respectfully protests against any diminution of the privileges that libraries now possess; and further expresses the opinion that all import duties upon books and other printed matter should be entirely abolished.

Resolved, That an attested copy of the foregoing minute be sent to each member of the Committee on Ways and Means of the present House of Representatives and to each Member of the House representing the State of New York.

Resolved, That the executive committee be and it is hereby authorized to take such measures as it may think proper to have the views expressed in the foregoing minute presented to the committees of the present and the next Congress, either orally or otherwise as may be thought most expedient.

A true copy from the minutes.

Attest:

C. H. RUSSELL,
Secretary of the Trustees of the New York Public Library.

(The above resolution was concurred in by the trustees of the Brooklyn Public Library, December 15, 1908. Similar resolutions were adopted by the Free Public Library of Newark, N. J., John Cotton Dana, librarian.)

THE TRUSTEES OF THE PUBLIC LIBRARY OF CINCINNATI, OHIO, ADOPT RESOLUTIONS FAVORING FREE BOOKS.

CINCINNATI, OHIO, *December 22, 1908.*

Hon. SERENO E. PAYNE,
Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: At a meeting of the trustees of the Public Library of Cincinnati, on Thursday, December 17, 1908, the following resolutions were adopted:

The trustees of the Public Library of Cincinnati have learned with deep regret that an effort is making to increase the duty now levied on books and other printed matter imported into the United States, and to remove from the free list all classes of books now included therein.

The existing tariff imposes a duty of 25 per cent ad valorem on books, excepting, however, first, books printed wholly in foreign languages; second, books in English which have been printed more than twenty years; third, books imported for the use of the United States or the Library of Congress, or for the use of libraries, educational institutions, or societies of a literary or scientific character.

An import duty on books differs entirely in its effect upon the manufacturer from other duties, in that the copyright laws afford protection to authors and publishers quite apart from the tariff.

The protection afforded, moreover, is extremely limited, affecting only such imported modern books and periodicals as are printed in English. So far as it goes, however, the duty is a tax on knowledge and education; an unwise tax in a republic, the existence of which must always depend on the intelligence of its citizens.

The removal of books for public libraries from the free list will be distinctly a backward step, as the exemption as now existing has been the law for many years, and the results will be the imposition of a serious tax upon a class of institutions which have always been favored or supported by all enlightened governments.

This board therefore respectfully protests against any diminution of the privileges that libraries now possess; and further expresses the opinion that all import duties upon books and other printed matter should be entirely abolished.

Resolved, That an attested copy of the foregoing minute be sent to each member of the Committee on Ways and Means of the present House of Representatives and to the Member of the House representing the First Congressional District of the State of Ohio.

Resolved, That the executive committee be, and it is hereby, authorized to take such measures as it may think proper to have the views expressed in the foregoing minute presented to the committees of the present and the next Congress, either orally or otherwise, as may be thought most expedient.

Very truly, yours,

BOARD OF TRUSTEES, PUBLIC LIBRARY OF CINCINNATI.
By EUGENE SCHAEFER, *President.*

THOMAS L. MONTGOMERY, PENNSYLVANIA STATE LIBRARIAN, OPPOSES ANY INCREASE OF DUTY ON BOOKS.

HARRISBURG, *December 24, 1908.*

Hon. JOHN DALZELL, M. C.,
Washington, D. C.

MY DEAR SIR: I have heard that there is an effort being made to increase the duty now levied on books and other printed matter imported into the United States, and to remove from the free list all classes of books now included therein.

There is, as you probably know, a duty at present of 25 per cent ad valorem on books so imported, with the exception of books printed wholly in foreign languages, books printed in England more than twenty years ago, and books imported for the use of the United States,

the Library of Congress, or for the use of libraries, educational institutions, or societies of a literary or scientific character.

In my opinion, it would be a hardship to all these institutions to have such a measure enacted, and that the injury imposed would be totally out of proportion to the benefit which would accrue to the retail bookseller for whose benefit this amendment is suggested.

The importations of the large libraries of the country are made up of items which can not be secured in this country through the ordinary avenues of trade. Very few institutions made use of English editions of current books, even when published in England but reprinted in America.

In the smaller libraries, of which there are thousands in the United States, the importation of current literature from abroad is almost unknown.

To enact such a measure as would prohibit the acquiring of books and other printed matter would be totally out of keeping with the treatment accorded educational institutions by all enlightened governments, and, in my opinion, this would be the result if the proposed amendment goes into effect.

I have always personally expressed strong sympathy with the retail dealer in books in the difficulties he has had to meet by reason of the encroachment upon his business by the department stores, but in view of the facts which have been stated above I can not see that he will be at all benefited, and certainly the libraries would be injured.

I hope that you may see the fairness of our reasoning in this matter and oppose the passage of this amendment by every means in your power.

Yours, very truly, THOMAS L. MONTGOMERY,
State Librarian.

THE INTERNATIONAL BROTHERHOOD OF BOOKBINDERS ASKS PROTECTION FROM FOREIGN LABOR.

NEW YORK, *December 29, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives.

GENTLEMEN: During the recent hearing of your committee on the question of tariff schedules, our organization was represented by Mr. George Rodgers, to whom your committee gave a hearing on November 21, when the subjects considered by your committee were pulp, paper, books, etc.

While Mr. Rodgers gave you a pretty fair idea of what is required by a bookbinder mechanic of this country, we think that perhaps a little repeating of what he said, or adding to his statement, might not be amiss, especially so, as the particular clauses in the tariff that we are trying to have corrected means a great deal to the American mechanic.

In the first place, we want to say that we have no fault to find with the tariff as at present levied. Our objections are principally against three of the clauses, as follows:

First. That clause which permits the importation of books for educational purposes free of duty; and

Second. That clause which permits books published over twenty years to come in free of duty; and

Third. That clause which permits books printed in foreign languages to come in free of duty.

The first-named clause is being used to a very great extent at the present time in the furnishing of books for the libraries, both public and private, of this country.

There is a firm who has a small plant located in Brooklyn, N. Y., who makes a practice to purchase the flat sheets from the publisher in this country of books of American publication, and these sheets are shipped to the city of Bath, England, where this firm has a rather large plant, where the books are bound by foreign workmen and returned to this country for use of the libraries as cited above, and admitted free of duty under the educational clause.

Our understanding of the intent of this law is that books of an educational character would only include books such as histories and works of a like character, but it surely should not intend to include novels or works of fiction, which most of the libraries are made up of.

The book published over twenty years and admitted free of duty applies largely to the finer class of bindings which are on the shelves of our more wealthy book lovers and connoisseurs, and we feel that this work could be done just as well in this country as in foreign lands; in fact, we believe it would be were it not for the tariff exemption which allows these bindings to be done on the other side, where wages are less than one-half of the average of what they are in this country.

The books printed in foreign languages and admitted free of duty we have no objection to as long as the books are published and bound abroad, but when they are sent abroad from this country for rebinding we are of the opinion that the tariff laws are being violated.

Ten years ago, or even less, statistics compiled by our organization show that there were over 1,000 bookbinders employed on this class of work, whereas to-day there are less than 300. The cause of this has been that the publishing firms who handle these classes of work find it a great deal cheaper to send it to English, German, or French binders in preference to giving it to the American mechanic, and we believe the free clauses in the tariff, as cited above, are largely to blame for this change in conditions.

We feel that we are heavily handicapped by these conditions, and our hope is that your committee will see its way clear to make corrections as will give this work to the American mechanic in preference to the foreigner. There are two or three instances which we could cite where firms have told our people that the only object they have in sending the work abroad was on account of its cheapness, but that they did not deny that the American mechanic could perform the work just as well.

I trust you will pardon me for intruding upon your deliberations at this time, knowing we are somewhat late in presenting this state-

ment of facts, but we are intensely interested, and will therefore ask that this be our excuse.

Thanking you in advance for your courtesy, I remain,

Very truly, yours,

JAS. W. DOUGHERTY,
Secretary-Treasurer
International Brotherhood of Bookbinders.

HON. ERNEST F. ACHESON, M. C., FILES LETTER FROM LIBRARIAN OF THE FREE LIBRARY OF PHILADELPHIA RELATIVE TO IMPORTATIONS OF BOOKS.

1217–1221 CHESTNUT STREET,
Philadelphia, Pa., December 29, 1908.

Hon. ERNEST FRANCIS ACHESON, M. C.,
House of Representatives,
Washington, D. C.

MY DEAR SIR: The trustees of The Free Library of Philadelphia have learned that there is an effort being made to increase the duty now levied on books and other printed matter imported into the United States and to remove from the free list all classes of books now included therein.

There is, as you probably know, a duty at present of 25 per cent ad valorem on books so imported, with the exception of books printed wholly in foreign languages, books printed in English more than twenty years ago, and books imported for the use of the United States, the Library of Congress, or for the use of libraries, educational institutions, or societies of a literary or scientific character.

It is the opinion of our board that it would be a grievous hardship to libraries as well as to the other institutions and societies mentioned to remove books from the free list, because the injury imposed would be totally out of proportion to the benefit which would accrue to the retail bookseller.

The importations of the large libraries of the country are mostly made up of those items which can not be secured in this country through the ordinary avenues of trade. Very few institutions make use of the English editions of current books, even when published in England in advance of the American reprint. In the smaller libraries, of which there are thousands in the United States, the importation of current literature from abroad is almost unknown.

To prohibit the acquiring of books and other printed matter from foreign countries would be, in our opinion, totally out of keeping with the treatment accorded educational institutions by all enlightened governments.

The Free Library of Philadelphia has always entertained the strongest sympathy for the retail dealer in the troubles that he has had to meet within the last few years by reason of the encroachments made on his business by changes in trade methods and from the difficulties incident to the carrying of a large stock, which is necessary to meet the wants of the public; but in view of the facts which have

been stated above, we can not see that such a dealer would secure any return which would be at all commensurate with the injury inflicted upon the institutions designated.

We sincerely trust that you will see the fairness of our position in this matter, and by every means in your power oppose the passage of this suggested amendment to the tariff law.

Yours, very truly,

JOHN THOMSON,
Librarian and Secretary The Free Library of Philadelphia.

THE LIBRARY COMPANY OF PHILADELPHIA FAVORS THE DUTY-FREE ADMISSION OF ALL BOOKS AND PRINTED MATTER.

NORTHWEST CORNER LOCUST AND JUNIPER STREETS,
Philadelphia, December 30, 1908.

To the COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

The Library Company of Philadelphia, founded in 1731 by Benjamin Franklin and his friends, has had an existence of one hundred and seven years, during which time, although never a rich institution, by care and economy it has collected some 200,000 volumes or more, which the public freely consults. It has been a great help to the company that it has been able to import its foreign books free of duty; indeed, it would have been impossible to make so valuable a collection without this help. Now, should the duty be increased and the free entry of books be removed, with its present limited means, a very heavy blow would be struck at the usefulness of the library; in fact, it would be almost necessary to cease buying books printed in Europe.

Therefore, the directors of the Library Company of Philadelphia subscribe to and most heartily indorse the following resolutions of the New York Public Library, Astor, Lenox, and Tilden Foundations:

At a meeting of the trustees of the New York Public Library on Wednesday, December 9, 1908, the following resolutions were adopted:

The trustees of the New York Public Library have learned with deep regret that an effort is making to increase the duty now levied on books and other printed matter imported into the United States and to remove from the free list all classes of books now included therein.

The existing tariff imposes a duty of 25 per cent ad valorem on books, excepting, however, first, books printed wholly in foreign languages; second, books in English which have been printed more than twenty years; third, books imported for the use of the United States or the Library of Congress or for the use of libraries, educational institutions, or societies of a literary or scientific character.

An import duty on books differs entirely in its effect upon the manufacturer from other duties, in that the copyright laws afford protection to authors and publishers quite apart from the tariff.

The protection afforded, moreover, is extremely limited, affecting only such imported modern books and periodicals as are printed in English. So far as it goes, however, the duty is a tax on knowledge and education; an unwise tax in a republic, the existence of which must always depend on the intelligence of its citizens.

The removal of books for public libraries from the free list will be distinctly a backward step, as the exemption as now existing has been the law for many years, and the result will be the imposition of a serious tax upon a class of institutions which have always been favored or supported by all enlightened governments.

This board, therefore, respectfully protests against any diminution of the privileges the libraries now possess; and further expresses the opinion that all import duties on books and other printed matter should be entirely abolished.

The directors of the Library Company of Philadelphia respectfully join in this protest, and direct that a copy of the same be sent to each member of the Committee on Ways and Means of the present House of Representatives and to each member of the House representing the State of Pennsylvania.

EDW. S. BUCKLEY.
S. WEIR MITCHELL.
GEORGE H. FISHER.
HENRY C. CHAPMAN.
OWEN WISTER.
CLEMENT BUCKLEY NEWBOLD.
G. E. DE SCHWEINITZ.
CHAS. E. DANA.
SYDNEY G. FISHER.
J. PERCY KEATING.

THE BOARD OF DIRECTORS OF THE LOS ANGELES (CAL.) PUBLIC LIBRARY WANTS DUTY-FREE BOOKS.

LOS ANGELES, CAL., *January 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At a meeting of the board of directors of the Los Angeles Public Library on Wednesday, December 29, 1908, the following resolution was unanimously adopted:

Resolved, That the directors of the Los Angeles Public Library, which serves a population of 300,000 and circulates nearly three-quarters of a million volumes per year out of this building, besides the enormous study-use inside the building by all classes of students in art, architecture, and science, earnestly protest against the removal from the free list of the books now imported into the United States, particularly by libraries.

The most important text books in many branches of art, architecture, and history are of necessity imported. Some of them are in foreign languages, some procurable only in foreign countries. A 25 per cent ad valorem tax on these books simply would mean that this city, which is the center of education for nearly a million square miles, would be reduced in effective scholarship by that amount. In our judgment it would be a step backward toward barbarism to deprive our students of these privileges.

We respectfully but urgently protest against any withdrawal of privilege now possessed by public libraries under the present tariff.

Resolved, That a certified copy of these resolutions be sent to each member of the Committee on Ways and Means of the present House of Representatives and to each Member from the State of California.

Attest: CHAS. F. LUMMIS,
Librarian, Los Angeles Public Library.

THE DETROIT (MICH.) PUBLIC LIBRARY COMMISSION WANTS NO INCREASE IN BOOK DUTIES.

DETROIT, *January 2, 1909.*

Hon. JOHN DALZELL, M. C.,
Ways and Means Commitee,
House of Representatives.

DEAR SIR: I am instructed by the Detroit library commission to forward to you the inclosed memorandum of action unanimously taken at their most recent meeting.

Yours, very truly,

H. M. UTLEY,
Librarian, Public Library of Detroit, Mich.

The Detroit library commission respectfully protests against the efforts now being made to induce Congress to increase the duty at present levied on imported books and other printed matter and to remove from the free list all classes of books now included therein.

To increase the duty on books would not tend to the encouragement of any industry, but would simply increase the profits of publishers at the expense of book buyers. Authors and publishers are now protected by copyright and no good reason appears for double protection.

To withdraw from libraries and educational institutions the privilege of free importation of books would be distinctly a backward step. Many years ago Congress relieved libraries and educational institutions from import duties, on the theory that all efforts to promote the intelligence of the citizens should be encouraged and stimulated.

Publishing conditions in Great Britian, as well as in this country, have already resulted in a recent considerable increase in the prices of books. The funds of public libraries, raised almost wholly by taxation, are necessarily limited, and many libraries find their purchasing resources badly handicapped by the increased cost of books. To add duties on all foreign publications would seriously cripple many of these, which even now find their facilities for public service much curtailed.

The commission sees no good reason for changing the existing laws and earnestly hopes that the privileges which libraries now possess may be continued and extended.

SIDNEY T. MILLER, *President,*
HINTON E. SPALDING, *Secretary,*
DIVIE B. DUFFIELD,
HERBERT BOWEN,
GEORGE OSIUS,
RALPH PHELPS, Jr.,
Detroit Library Commission.

HON. A. P. GARDNER, M. C., SUBMITS RESOLUTIONS ADOPTED BY TRUSTEES OF BOSTON ATHENÆUM FAVORING THE REMOVAL OF DUTY FROM BOOKS.

WASHINGTON, *January 5, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives.

MY DEAR SIR: I beg to inclose you herewith resolutions adopted by the trustees of the Boston Athenæum, favoring the removal of the duty on books and other printed matter.

Very truly, yours, A. P. GARDNER.

At a meeting of the trustees of the Boston Athenæum on Monday, December 21, 1908, the following resolutions were adopted:

The trustees of the Boston Athenæum have learned with regret that an effort is being made to increase the duty now levied on books and other printed matter imported into the United States, and to remove from the free list all classes of books now included therein.

We commend the statement of Dr. J. S. Billings that, "So far as it goes, the present duty is a tax on knowledge and education; an unwise tax in a republic, the existence of which must always depend on the intelligence of its citizens.

"The removal of books for public libraries from the free list will be distinctly a backward step, as the exemption as now existing has been the law for many years, and the result will be the imposition of a serious tax upon a class of institutions which have always been favored or supported by all enlightened governments."

The trustees of the Boston Athenæum, therefore, respectfully protest against any diminution of the privileges that libraries now possess; and further express the opinion that all import duties upon books and other printed matter should be entirely abolished.

Resolved, That an attested copy of the foregoing minute be sent to each member of the Committee on Ways and Means of the present House of Representatives and to each Member of the House representing the Commonwealth of Massachusetts.

A true copy. Attest: ALBERT THORNDIKE, *Secretary.*

UNION THEOLOGICAL SEMINARY, NEW YORK, APPEALS FOR DUTY FREE SCIENTIFIC AND TECHNICAL BOOKS.

700 PARK AVENUE,
New York, January 6, 1909.

CHAIRMAN COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

DEAR SIR: I have the honor to send to you, inclosed herein, a preamble and resolution adopted by the Society of Biblical Literature and Exegesis at its annual meeting, held at Columbia University on December 30, 1908.

Very truly, yours, JULIUS A. BEWER,
Corresponding Secretary.

At a meeting of the Society of Biblical Literature and Exegesis, held in New York City December 30, 1908, the following preamble and resolution were adopted:

Whereas the present duty of 25 per cent ad valorem on books in the English language published abroad is, so far as scientific and technical works are concerned, of the nature of a tax on scholars without compensating advantages of protection to authors or publishers, or of appreciable increase of revenue, and is to that extent contrary to public policy, and especially to that policy of fostering learning and education which has always characterized the administration of our Government: Therefore be it

Resolved, That the Society of Biblical Literature and Exegesis petition the Committee on Ways and Means of the National Congress to take steps for the repeal of the duty on books of a scientific and technical character in the English language, published abroad, putting these books on the same footing as books published in a foreign language.

A true copy.

WILLIAM H. COBB,
Recording Secretary, Union Theological Seminary.

THE MODERN LANGUAGE ASSOCIATION OF AMERICA ADOPTS RESOLUTIONS RELATIVE TO WORKS OF ART, BOOKS, AND SCIENTIFIC APPARATUS.

107 WALKER STREET,
Cambridge, Mass., January 7, 1909.

Hon. SERENO PAYNE,
Chairman of House Committee on Ways and Means.

DEAR SIR: At the annual meeting of the Modern Language Association of America, held at Princeton University, December 30, 1908, the following resolutions were (unanimously) adopted:

Resolved, (1) That the Modern Language Association of America, representing the scholars and teachers of the modern languages and literatures in the schools and colleges of the United States, believing that the present tariff laws, with their import duties upon works of art, books printed in foreign countries, and scientific apparatus, impose an unjust burden upon scientific work in this country, and act as an obstacle to the advancement of learning and general culture, while accomplishing little as regards the end for which such laws are framed, respectfully petition the Congress of the United States, in the proposed revision of the tariff laws, to remove the existing duties upon works of art and their reproductions, including photographs, upon all books printed in foreign countries, and upon scientific instruments intended for the private use of investigators.

(2) That the association instruct its secretary to communicate to Congress, at the proper time and through the proper channels, a copy of these resolutions.

Respectfully yours,

C. H. GRANDGENT,
Secretary The Modern Language Association of America.

PHOTOGELATIN PRINTS.

[Paragraph 403.]

THE ALBERTYPE CO., BROOKLYN, N. Y., PETITIONS FOR PROTECTION FOR AMERICAN PHOTOGELATIN INDUSTRY.

BROOKLYN, N. Y., *November 17, 1908.*

Mr. WM. K. PAYNE,
Clerk of the Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: The photogelatin-printing business has been established in the United States for a quarter of a century, but has remained diminutive in comparison with the extent it has now acquired in Europe, and especially in Germany.

The printing by this process is slow and greatly subject to the influences of weather and temperature. The cost of labor therefore is larger proportionately than that of other printing methods.

The wages paid to workmen in our branch are on the average:

	United States.	Germany.
Steam printer	$20.00 to $25.00	$7.00 to $9.00
Plate maker	25.00 to 35.00	7.00 to 8.00
Reproduction photographer	20.00 to 35.00	7.00 to 8.75
Photographic retoucher	15.00 to 24.00	6.00 to 7.00

Rents and other business expenses show a similar proportion. Paper and cardboard of American manufacture cost two to three times the German prices for equal grades.

A great contributor to the rise of the photogelatin printing in Germany of late years has been the growth of the illustrated post card. The production of the American view and art post card has almost been monopolized by German manufacturers, whose agents here pick up the views of every city, village, and crossroad, of every scene, of any advertising subject, and send it to Germany to have 500, 1,000, or more post cards made of a subject. Not that we could not make an equally good article, but the German manufacturer can produce the 1,000 plain gelatin post cards for 7½ marks, or $1.80, while we can not produce the 1,000 under $5 or $6.

The imported gelatin post card comes under the customs tariff schedule of printed matter and pays 25 per cent duty.

We hand color many gelatin post cards of our own make, giving thereby employment to 3 artists and 15 girls.

The importer also brings over many hand-colored post cards, omits the designation "hand colored," and is enabled thereby at some ports of entry to pass them as lithographs between eight one-thousandths and twenty one-thousandths of an inch in thickness at 5 cents per pound.

The majority of colored post cards are lithographs or chromolitho, and pass at the same rate of duty of 5 cents per pound, equal to about 45 cents per 1,000 post cards.

Here exists a flagrant discrimination against the American manufacturer. Compare f. i. the tariff schedule: Lithographic cigar

labels in less than eight colors, 20 cents per pound; lithographic cigar labels in eight or more colors, 30 cents per pound.

The German-made colored post cards vary between six and ten colors and pay only 5 cents per pound duty, while they are printed on the same lithographic presses as the cigar labels, with the exception of the great minority of gelatine hand-colored make.

Holiday cards, calendars, booklets, advertising cards, hangers, novelties, and pictures of many kinds share in the same discrimination. Post cards, being of recent growth, have not before come to the attention of the Congress. They are more commercial than educational, are largely used for advertising towns, resorts, real estate, and any kind of mercantile enterprise.

Well might the domestic manufacturer receive his fair share of this trade, instead of four-fifths of post cards being imported.

The unlimited cheapening of the article through foreign competition can not be said to have made it more lucrative to the retail trade, but has tended to depreciate it in the public estimation.

By the official report on the commerce of the United States, there were imported under the head of "Books, music, engravings, etchings, photographs, and other printed matter," in the fiscal years ending June 30, 1905, free, $2,609,181; dutiable, $1,980,677; 1906, free, $3,000,326; dutiable, $2,599,622; 1907, free, $3,379,182; dutiable, $3,072,127.

The European apprentice systems further contribute to the low cost of foreign labor, while here we do not have any unpaid labor.

Many smaller importations of post cards, fancy cards, other printed matter, photographs, and engravings come by mail cheaply and quickly, thus further diminishing the chances of the domestic manufacturer.

The photographer, as a rule, can not afford to copyright his scenic views, nor does the law ultimately protect him, according to recent decisions of the United States courts. The photographer's views, therefore, are the prey of the foreigner's agent. Example: We instruct our traveling photographer to photograph for us certain scenes in Oregon or Texas. He does it at great expense. We publish the views in the form of post cards or a souvenir book or a calendar. The foreigner, through his alert helpmate here, buys the finished article for a few cents and sends it to Europe for copying. In a short while our market, local or general, becomes flooded with cheap copies. The domestic manufacturer may then turn his wits to new fields, but the mail offers such easy facilities to the copyists here and abroad that to-day the American lithographers and kindred trades have resigned themselves to the conclusion that post cards and similar articles belong to the foreigner.

THE ALBERTYPE COMPANY.

EXHIBIT A.

BROOKLYN, N. Y., *November 18, 1908.*

I, Walther Hoeschel, married and residing at 179 Thirteenth avenue, Astoria, Queens County, State of New York, and working as a photographic retoucher with the Albertype Company, Brooklyn, N. Y., for the past three years, and previously with Stengel & Co., photogelatin printers, Dresden and Berlin, Germany, two years,

testify from my own knowledge that in Germany, in the photogelatin printing line, a first-class photographer earns 20 to 35 marks a week ($5 to $8.75); retoucher earns 18 to 25 marks a week ($4.50 to $6); apprentices, some nothing, others earn 2 to 4 marks a week (50 cents to $1).

In every branch of the business apprentices are engaged, almost one to every workman. Girls feed the power presses.

To this statement I subscribe my name,

WALTHER HOESCHEL.

Subscribed and sworn to before me this 18th day of November, 1908.

[SEAL.] HENRY STÜBING,
Notary Public, Kings County, N. Y.

THE CAREY LITHOGRAPH COMPANY, NEW YORK CITY, ASKS FOR ADDITIONAL PROTECTION AGAINST FOREIGN POST CARDS.

NEW YORK CITY, *November 19, 1908.*

Mr. W. K. PAYNE,
Clerk of the Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We have been advised that a hearing regarding tariff schedule covering papers, books, etc., will be held next Saturday, and that the subject of photogelatin printing will be heard in connection with this schedule. As figures and other data pertaining to this subject have undoubtedly been submitted by other parties, we will, in order to avoid repetition, refrain from stating same, but we wish to submit this undeniable fact:

American efforts and American capital have created a demand for gelatin printing in this country, a demand which is constantly increasing through our work, while European establishments, principally German, are getting the results. Large contracts for postal cards, art subjects, etc., are continually placed on the other side and executed, and this is not done for reasons of superior workmanship, but simply on account of our inability of competing with foreign quotations.

Yours, very truly, CAREY LITHOGRAPH COMPANY.
PETER J. CAREY, *President.*

BRIEF SUBMITTED BY THE CAMPBELL ART COMPANY, OF ELIZABETH, N. J., RELATIVE TO PHOTOGELATIN PRINTING.

ELIZABETH, N. J., *November 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The photogelatin printing process was introduced in this country about 1871, and while it has flourished mightily abroad, especially in Germany, it has never secured in this country the place which it is entitled to hold as the best process for the repro-

duction of art pictures and kindred work, where fine details and graduation of tones are required.

On the 17th of this month the Government Printing Office called for bids on nearly 3,000,000 photogelatin prints as illustrations for an important publication where the above-mentioned qualities are absolutely required. There are not three photogelatin plants in the United States capable of turning out this work within the desired time, and the reasons are not far to seek—the low duty on foreign photogelatin work and the tremendous difference in the cost of labor and materials between Germany and the United States tell the story.

No photogelatin power presses are made in this country, and we have to pay a 45 per cent duty on such a machine. The finished product of a photogelatin press in the form of post cards come in under the customs tariff as printed matter, on which a duty of but 25 per cent is imposed, which is manifestly unfair and a discrimination in favor of foreign capital and labor. I find no fault with the 45 per cent duty on the press, but I submit that the duty on the finished product should, to say the least, be no less. I speak of post cards because they represent the largest single item of imported gelatin work.

I think I am within the truth in stating that two years ago more than 75,000,000 photogelatin post cards were imported. I have not the data regarding last year. Practically none of this work was done here, although we needed it badly enough. Many of these cards are hand colored, but come in under the same 25 per cent duty, which is a still harder proposition for the manufacturer here as it involves more cheap labor, not to mention the very prevalent impression that some of these hand-colored cards come in at certain ports of entry under the classification of "lithographs," "chromos," etc., at 5 cents per pound, which would bring the duty down to an absurdity on this class of work.

There is a large business in these cards in South America, about one-half as much as in this country, but under the present conditions we can get none of it; the same is true of Mexico and Canada. If we can not secure any part of this trade, I submit that we should at least be protected in our own country.

The following is a comparative scale of wages which shows where we find ourselves on the labor problem:

	Germany.	United States.
	Per week.	*Per week.*
Photographer	$8.00	$25.00
Retoucher	$5.00 to 6.00	$15.00 to 25.00
Platemaker	6.00 to 8.00	20.00 to 30.00
Printer	7.00 to 9.00	18.00 to 25.00
Feeders	1.50 to 2.00	3.00 to 6.00
Other handling and finishing (by women and girls)	1.50 to 3.00	2.50 to 6.00
Hand coloring	2.00 to 4.00	8.00 to 12.00

Certain features of this process call for skilled labor, which it is almost impossible to get in this country, and we are restrained under the law from making contracts for foreign labor. If men of the required ability come here of their own accord, the labor unions immediately get hold of them and settle the wage question for them in a

hurry. Any relief, therefore, in the way of cheaper labor is exceedingly remote.

Concerning the principal materials entering into our work, we find ourselves in practically the same position, as the following figures will show:

	Germany.	United States.
	Per pound.	*Per pound.*
Paper	$0.06	$0.12
Gelatin	.60	$0.95 to $1.25
Ink	.50	.95

Of course, if paper were on the free list, that would be a great help to us. We do not ask that, but do ask that the adequate protection of one industry shall not operate as a disadvantage to us because we are not properly protected.

The duty on machinery, gelatin, ink, and paper is, in every case, higher than the duty on photogelatin printed matter, and possibly no further argument should be necessary to demonstrate the fairness of an advance in duty on the latter. As to how much this advance should be, those whom I represent, in a measure, here, differ, as the briefs will show, ranging from a minimum of 45 per cent to a maximum of 100 per cent. The Campbell Art Company, for whom I speak directly, feels that a maximum of 75 per cent and a minimum of 60 per cent ad valorem would be equitable and reasonable in view of the figures just given, which can readily be authenticated, concerning the relative cost of labor and material here and abroad.

On the basis of such an advance it is probable that ten presses would soon be running where one is in operation to-day, and that many hundreds of both skilled and unskilled workmen would find steady employment where scores are busy to-day.

I submit briefs and letters from the Albertype Company, of Brooklyn, N. Y.; Meriden Gravure Company, of Meriden, Conn.; Campbell Art Company, of Elizabeth, N. J.; The Photogravure and Color Company, of New York; Carey Lithograph Company, of New York; E. Moebius, of Camden, N. J.; Heliotype Company, of Boston, Mass.; Taber Art Company, of Springfield, Mass., constituting practically all of the important concerns in this country in this line of work.

We buy our materials, manufacture our products, and sell our goods in this country. There is no combination among the people engaged in this line of business, and I can assure you that the competition between ourselves is keen enough to protect the public so far as prices are concerned. What we want and ask for is such measure of protection as will keep our factories running and our people employed. We think that we are at least entitled to as fair treatment as is accorded to others, and this we feel we are not receiving at the present time.

All of which is respectfully submitted.

ARTHUR F. RICE,
Vice-President Campbell Art Company, Elizabeth, N. J.

EXHIBIT A.

123-125 FEDERAL STREET, CAMDEN, N. J.,
Tuesday, November 17, 1908.

MESSRS. CAMPBELL ART CO.
(Mr. A. F. RICE, VICE-PRESIDENT, *Elizabeth, N. J.*

DEAR SIR: Replying to your communications of November 12 and 16, I regret that I shall be unable to be present at the hearing on November 21. However, as you desire my views on the subject, I will state that it appears to me only reasonable that the duty on the printed work should be equal, at least, to that imposed on the photogelatin press, and for the benefit of those interested in the printing in this country as much more as possible. As matters stand at present, it is impossible for printers to compete with the foreign price on photogelatin work, and it is to be hoped that any endeavor to have the duty on imports of this nature increased shall meet with the success fairness justifies.

Would be pleased to receive copy of the laws.

Very truly, yours,

E. MOEBIUS.

EXHIBIT B.

BOSTON, MASS., *November 17, 1908.*

MR. ARTHUR F. RICE, CAMPBELL ART CO.,
Elizabeth, N. J.

DEAR SIR: Your favors of the 12th and 16th in matter of the duties on gelatin printing at hand, and, of course, writer is strongly in favor of an increase in the present rate on such work. The postal-card situation illustrates forcibly the need of such increase. We have figured a number of times on large orders of cards, but have been informed by the prospective customer that our prices were much more than the ones obtained from Germany. As this business has attained such large proportions, it would seem only right that the American manufacturer and workman should have an equal chance with the foreigner, especially as post cards can hardly be classed as anything else but a luxury. The cost of production, of course, applies equally to other uses of the process. A lot of work for special publications is now done abroad, in some cases apparently paying no duty whatever, as writer remembers hearing of a large book of photographs of views sold to artists and architects which was all large page illustrations printed by gelatin process, but with the title (a few words—the name of the town or building) printed in French or German, entering the country as a foreign-language publication and therefore free of duty.

Writer would like to be present at the hearing, but circumstances prevent. He wishes you all success in your efforts in behalf of the trade, and if he finds any opportunity to help along the cause, will certainly take advantage of it.

Very truly, yours,

(Signed) W. C. RAMSAY.

EXHIBIT C.

NEW YORK, *November 17, 1908.*

Mr. A. F. RICE, VICE-PRESIDENT CAMPBELL ART CO.,
Elizabeth, N. J.

DEAR SIR: We are in receipt of your favor of the 16th instant, in regard to meeting of the Ways and Means Committee to be held at Washington November 21.

Mr. Witterman, of the Albertype Company, in Brooklyn, visited us and talked this matter over, and we assured him that we would do our share in bringing about the desired revision of the tariff.

Thanking you for bringing this matter to our attention, we are,

Yours, very truly,

CAREY LITHOGRAPH COMPANY.

EXHIBIT D.

NEW YORK, *November 17, 1908.*

CAMPBELL ART COMPANY,
Elizabeth, N. J.

GENTLEMEN: In reply to your favor of November 16, wish to say that I should have been very glad to join with you in your effort to revise the present tariff on pictures, but the time is so short that I do not think I can arrange to go to Washington on Saturday.

Of course we are more interested in the duty on photogravure plates and prints. One trouble is that our fine work has to be printed on imported paper, on which there is a heavy duty. This places us at a disadvantage with the foreign houses, because they get the paper much cheaper; and with a small duty on the prints makes it difficult for us to compete with them.

It would be better for all of us if the duty on fine paper that can not be made in this country was reduced and the duty on the pictures printed on this paper increased. That would place us in a position to sell our goods in South America and Mexico.

I should like to have an interview with your representative who is going to Washington, and I might be able to suggest something that would be to our mutual benefit.

The photogelatin printers of this country are constantly going into competition with the photogravure houses in Europe.

Yours, truly,

PHOTOGRAVURE AND COLOR COMPANY,
KARL A. ARVIDSON.

EXHIBIT E.

MERIDEN, CONN., *November 18, 1908.*

Mr. ARTHUR F. RICE,
Vice-President Campbell Art Co., Elizabeth, N. J.

DEAR SIR: Regret to say it will be impossible for me to appear before the Ways and Means Committee on the 21st, and should be glad if you could represent us, as well as yourself, at that time.

We hold that the present tariff on photo-gelatin work is wholly inadequate to put us on an even footing with the German manufacturers, when the wages paid, hours worked, and cost of materials on the other side are considered.

We also hold that it is a manifest injustice to compel us to pay 45 per cent duty on machinery for this process (and we can get this machinery in no other way than by import), and then protect us on the product of the machinery by only 35 per cent or less.

Very truly, yours,

THE MERIDEN GRAVURE COMPANY,
J. F. ALLEN, *Treasurer.*

EXHIBIT F.

CHICAGO, *November 16, 1908.*

CAMPBELL ART COMPANY,
Elizabeth, N. J.

GENTLEMEN: We have your letter of November 12, which was forwarded from our old address.

The tariff relative to the photo-gelatin industry is, as you say, manifestly unjust and we are cordially in sympathy with any movement which has in view a readjustment of this matter.

Considering the impossibility of American photo-gelatin firms of competing with European firms under the present tariff, we should suggest that the presses come in free and that a duty of 100 per cent or more on the finished product would be putting us on a more equitable plane of competition.

Thank you for calling our attention to this important subject and for the interest you are taking in the matter.

Very truly, yours,

WESTERN PHOTOGRAVURE COMPANY,
JOS. SCHOENINGER, *President.*

STATEMENT OF ARTHUR F. RICE, FLATIRON BUILDING, NEW YORK CITY, RELATIVE TO PHOTOGELATIN POST CARDS.

SATURDAY, *November 21, 1908.*

Mr. RICE. Mr. Chairman and gentlemen, I would like to speak on the photo-gelatin printing process as affected by the present tariff.

Mr. HILL. Do you know what paragraph of the law that is in?

Mr. RICE. It is hard to say, because we are not, I think, properly classified, if classified at all. On the basis of the duty charged on imported photo-gelatin work, we belong in paragraph 403.

Mr. HILL. What is the particular business you are in?

Mr. RICE. The photo-gelatin printing process, and I will say that I represent practically all of those in that business. We thought it was unnecessary to bring you gentlemen long papers on this subject. I think I represent all these people, practically, and I will give you the names of those I represent, and what I have to say will occupy but a short time. The photo-gelatin printing process was introduced in

this country about 1871, and while it has flourished mightily abroad, especially in Germany, it has never secured in this country the place which it is entitled to hold as the best process for the reproduction of art pictures and kindred work, where fine details and graduation of tones are required.

On the 17th of this month the Government Printing Office called for bids on nearly three million photo-gelatin prints as illustrations for an important publication where the above-mentioned qualities are absolutely required. There are not three photo-gelatin plants in the United States capable of turning out this work within the desired time, and the reasons are not far to seek—the low duty on foreign photo-gelatin work and the tremendous difference in the cost of labor and materials between Germany and the United States tell the story.

No photo-gelatin power presses are made in this country, and we have to pay a 45 per cent duty on such a machine.

Mr. HILL. What is the duty on the product?

Mr. RICE. Twenty-five per cent as it comes in now, classified as printed matter. It comes in under the duty of 25 per cent.

Mr. GRIGGS. What do you want to make it?

Mr. RICE. The finished product of a photo-gelatin press in the form of post cards comes in under the customs tariff as printed matter, on which a duty of but 25 per cent is imposed.

Mr. GRIGGS. How much do you want to make the duty?

Mr. RICE. I will arrive at that. I have the briefs here of all the important photo-gelatin men. The bringing in of the finished product of the process at a duty of 25 per cent is manifestly unfair and a discrimination in favor of foreign capital and labor. I find no fault with the 45 per cent duty on the press, but I submit that the duty on the finished product should, to say the least, be no less. I speak of post cards because they represent the largest single item of imported gelatin work.

The CHAIRMAN. Have you a written brief there?

Mr. RICE. Yes.

The CHAIRMAN. Then I think you had better submit it to the committee in that form.

Mr. RICE. Yes. I am speaking of the duty on the finished product which comes in here, to our great detriment. I think I am within the truth in stating that two years ago more than 75,000,000 photo-gelatin cards were imported. I have not the data regarding last year. Practically none of this work was done here, although we needed it badly enough. Many of these cards are hand colored, but come in under the same 25 per cent duty, which is a still harder proposition for the manufacturer here, as it involves more cheap labor, not to mention the very prevalent impression that some of these hand-colored cards come in at certain ports of entry under the classification of "lithographs," "chromos," and so forth, at 5 cents per pound, which would bring the duty down to an absurdity on this class of work. There is a large business in these cards in South America, about one-half as much as in this country, but under the present conditions we can get none of it; the same is true of Mexico and Canada. If we can not secure any part of this trade, I submit

that we should at least be protected in our own country. The following is a comparative scale of wages, which shows where we find ourselves on the labor problem:

	Germany.	United States.
	Per week.	*Per week.*
Photographer	$8	$25
Retoucher	5 to 6	15 to 25
Plate maker	6 to 8	20 to 30
Printer	7 to 9	18 to 25
Feeders	1.50 to 2	3 to 6
Other handling and finishing (by women and girls)	1.50 to 3	2.50 to 6
Hand coloring	2 to 4	8 to 12

I assure you, gentlemen, that those are conservative figures. There is no guesswork about them. In connection with the briefs submitted by several of the other gentlemen are sworn statements in respect to the labor cost in Germany, and those can be substantiated here at any time. Certain features of this process call for skilled labor, which it is almost impossible to get in this country, and we are restrained under the law from making contracts for foreign labor. The question is asked why they do not all come here from Germany and why we do not get the skilled labor. If men of the required ability come here of their own accord, the labor unions immediately get hold of them and settle the wage question for them in a hurry. Any relief, therefore, in the way of cheaper labor is exceedingly remote.

Concerning the principal materials entering into our work, we find ourselves in practically the same position, as the following figures will show:

	Germany.	United States.
	Per pound.	*Per pound.*
Paper	$0.06	$0.12
Gelatin	.60	.95 to 1.25
Ink	.50	.95

Of course, if paper were on the free list, that would be of great help to us. We do not ask that, but do ask that the adequate protection of one industry shall not operate as a disadvantage to us because we are not properly protected. The duty on machinery, gelatin, ink, and paper is, in every case, higher than the duty on photogelatin printed matter, and possibly no further argument should be necessary to demonstrate the fairness of an advance in duty on the latter. As to how much this advance should be, those whom I represent in a measure here differ, as the briefs will show, ranging from a minimum of 45 per cent to a maximum of 100 per cent. The Campbell Art Company, for whom I speak directly, feels that a maximum of 75 per cent and a minimum of 60 per cent ad valorem would be equitable and reasonable in view of the figures just given, which can readily be authenticated concerning the relative cost of labor and material here and abroad. On the basis of such an advance, it is probable that ten presses would soon be running where one is in operation to-day, and that many hundreds of both skilled and unskilled

workmen would find steady employment where scores are busy to-day. I submit briefs and letters from the Albertype Company, of Brooklyn; Meriden Gravure Company, of Meriden, Conn.; Campbell Art Company, of Elizabeth, N. J.; The Photogravure and Color Company, of New York; Carey Lithograph Company, of New York; E. Moebius, of Camden, N. J.; Heliotype Company, of Boston, Mass.; and Taber-Prang Art Company, of Springfield, Mass., constituting practically all of the important concerns in this country in this line of work. We buy our materials, manufacture our products, and sell our goods in this country. There is no combination among the people engaged in this line of business, and I can assure you that the competition between ourselves is keen enough to protect the public so far as prices are concerned. What we want and ask for is such measure of protection as will keep our factories running and our people employed.

Mr. HILL. How many of you are there engaged in this printing from gelatin plates?

Mr. RICE. The eight factories I have named, and there are several smaller concerns.

Mr. HILL. What is the total American production, in round figures?

Mr. RICE. That would be a difficult question to answer.

Mr. HILL. A million dollars?

Mr. RICE. Yes, sir.

Mr. HILL. Two million dollars?

Mr. RICE. I hardly think so.

Mr. HILL. Do you know what the importations are? They are not classified separately in the government reports.

Mr. RICE. I spoke of post cards as the largest item, and if I am correctly informed—and I believe I am—two years ago—I can not tell what it was last year——

Mr. HILL. In dollars and cents, what is it?

Mr. RICE. There were 75,000,000 post cards imported.

Mr. HILL. What did it amount to in dollars and cents?

Mr. RICE. You mean their price or ours?

Mr. HILL. No; the total amount, after they are admitted into this country. What would be, in your judgment, the total importation? They are about $2 to $4 a thousand, we will say, and there were 75,000,000 of them. That would be about $200,000, would it not?

Mr. RICE. Yes; $300,000, nearly.

Mr. HILL. Your estimate is that the American production is from a million to two million, and the importation is from $200,000 to $300,000?

Mr. RICE. I am speaking of only one item, namely, post cards.

Mr. HILL. Yes.

Mr. RICE. Then, there are other things that come in, art pictures, catalogue covers, and booklets, and the Smithsonian Institute, for instance, is getting some work in Germany to-day. The only place where the American photogelatin printer has a chance to-day is where the customer must have his work immediately, and where he must have good quality, because you can get as good quality in this country as in Germany; but if a man has to wait sixty or ninety days for his goods, an American manufacturer can sometimes get an order for immediate shipment. But it is not only the post cards. That is the most striking feature of it, but the other things are creeping in and getting their hold because of the difference in the price.

Mr. HILL. Will you look into the matter and let the committee know whether the American production is increasing and the foreign importation falling off, or whether the American production is decreasing and the foreign importation increasing?

Mr. RICE. I can tell you that. I will say at once that the American production is falling off. For instance, we used to make a lot of these post cards. We made them for ourselves to sell and for other people to sell, for jobbers. We quit that business because we had to; we could not continue in the business. In other words, all the photogelatin post cards made in this country to-day do not amount to anything compared to what they were a few years ago, and they are being pushed right out of the country, so that there is no market in this country. There is only one answer to that question.

Mr. UNDERWOOD. How much ad valorem duty do you have now?

Mr. RICE. Twenty-five per cent. The photogelatin printed matter—the pictures, because that is what the matter consists of, practically, and there is no printed matter in the actual acceptation of the term—comes in under the head of printed matter on a 25 per cent duty.

Mr. UNDERWOOD. And you want it raised how much?

Mr. RICE. I would like to see it raised to 60 per cent.

Mr. UNDERWOOD. What effect would a duty of 60 per cent have in the trade and on the revenue?

Mr. RICE. It would put us, I think, on about an even keel, so far as purchases are concerned, with the importer, and we do not ask anything else. All we want is just to be put on an even keel. If we can not merchandise our goods and make the quality as good as the foreigner can, that is our lookout.

Mr. UNDERWOOD. Do you think that 60 per cent would exclude the foreign goods?

Mr. RICE. No, sir.

Mr. UNDERWOOD. How much of the American market would your production control?

Mr. RICE. I think we might get back what we have lost, and perhaps divide the business with them.

Mr. UNDERWOOD. You think that it would give you control of 50 per cent of the business?

Mr. RICE. I think so.

Mr. UNDERWOOD. And not more than that?

Mr. RICE. Yes; and I do not know whether we could get that.

THE CAMPBELL ART COMPANY, ELIZABETH, N. J., SUBMITS SUPPLEMENTAL BRIEF ON PHOTOGELATIN PRINTS.

ELIZABETH, N. J., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We ask that the products of the photo-gelatin press be classified in the tariff schedules separately from other "printed matter," excepting photogravures, as both the process and the products differ entirely from other printed matter, and at present are not mentioned at all in the tariff. We ask that the duty on imports of photo-gelatin and photogravure work, which are similar in character,

be made not less than 60 per cent ad valorem, for the reasons stated below and in our original brief.

Strictly speaking, the photo-gelatin process is a fine art, and the work turned out by it is a luxury. The process is very slow—500 sheets a day for one press, as against 3,000 to 5,000 from a type of lithographic press. The cost of the work, especially as a finer grade of paper must be used, is correspondingly large. This narrows our business down to art pictures (samples of which are hereto attached) and to the highest grade of commercial work, such as book inserts, post cards, expensive calendars, and the like. There is not enough art business to keep the photo-gelatin concerns going, and the commercial work, on which our very existence depends, is going elsewhere, chiefly to Germany, but also to France, Austria, and England. If individuals or publishers want book illustrations, fine catalogues, art reproductions, or high-grade post cards, they order them chiefly from abroad, unless they are in a hurry for the delivery. For more than thirty years this dainty and beautiful process has struggled along in this country without making money for anybody. One after another of those engaged in it have sunk their capital, and those remaining in it are obliged to rely on accessory lines of business in order to keep their plants running.

Abroad it is entirely different. In Germany huge factories operating 20 or more power presses each, are running from ten to fourteen hours a day and thousands of people are employed and a large fraction of the output is marketed in the United States, coming in as "printed matter," at 25 per cent, if it does not come in under the head of lithographs, etc., at a still lower duty. Here it is not considered important enough to be mentioned in the tariff, but we can assure you, gentlemen, that it is a vastly important matter to the eight or ten concerns who have invested between two and three million dollars in the business, and we trust we are not so small as to escape notice altogether in the adjustment of the tariff. We ask for at least 60 per cent ad valorem on photo-gelatin and photogravure prints and cards, and this could scarcely be called an advance of the present duty because photo-gelatin and photogravure work has not been classified at all. It would be putting us, rather late to be sure, where we belong, namely, in a position to compete successfully with foreigners who pay about one-third as much for a longer day's work, and one-half as much for materials as we are obliged to. The exports of photo-gelatin work from this country in 1907 were practically nothing, probably less than $10,000, and consisted almost entirely of reproductions of copyrighted pictures protected under the international copyright law. The imports for that year (1907) were $350,000 at the port of New York alone. It is conservatively estimated that $150,000 more came in at Boston, Philadelphia, and other ports of entry, making $500,000 worth of photo-gelatin imports alone without counting gravures, which also came in as "printed matter" on a 25 per cent duty. Five hundred thousand of these recently came from England on one consignment, to be framed and sold in competition with our own products.

Since submitting our original brief we have carefully investigated the output from the eight largest photo-gelatin concerns and find it to have been less than $1,000,000 for 1907, whereas the entire importation of photo-gelatin and photogravure work at all ports of entry

would run up well toward that sum. In the largest single item, post cards, all of which should have been made here, we have been put out of business. The plain cards, which are laid down in New York, duty and commission paid, at from $2 to $4 per thousand, cost nearly double that to manufacture here; and the colored cards, which are quoted at from $4 to $5 per thousand, are a still more difficult proposition. (Attached are prices quoted by dealers to substantiate the above.)

Properly protected there is no reason why the photo-gelatin process should not flourish here as well as abroad and become an important commercial factor. It is probable that an increased demand for the presses would bring about their being built here and thus create a new industry.

The question of encouraging and keeping alive the photo-gelatin process is one that means more than the mere welfare of those who are engaged in it. The process itself is invaluable for the fine reproduction of art pictures, drawings, or natural objects. It is called for by the United States Geological Survey, the National Academy of Sciences, the Bureau of Ethnology, the United States Fish Commission, the Bureau of Forestry, Smithsonian Institution, Carnegie Institute, and others. (Samples along these lines are hereto attached as evidence both of the quality and practical usefulness of the work.)

We do not expect or ask for a monopoly of the market for our products. We realize that the Government is largely supported by the duties imposed on importations, and we are willing to stand our share of the burden, but a 60 per cent duty would by no means be prohibitive, and if imports fell off one-half, which is extremely improbable, the government revenues would be greater than they are to-day with a 25 per cent duty, and the other half of the business would be the salvation of those who in thirty years have never asked for help or protection, but who sorely need it now.

CAMPBELL ART COMPANY,
ARTHUR F. RICE, *Vice-President.*

EXHIBIT A.

NEW YORK, *November 18, 1908.*

The CAMPBELL ART COMPANY, *City.*

GENTLEMEN: In reply to your inquiry of the 17th, we are sending you, under separate cover, samples of our plain photo-gelatin cards and offer you same in lots of 25,000; that is, 1,000 each of 25 subjects, at $3.25 per 1,000. The same cards in hand painted would cost $5 per thousand extra.

We are also inclosing you some samples of the hand-painted cards, and should be pleased to soon hear from you again.

We have a cheaper hand-colored card which we offer at $7.50 per thousand, and if you want to see samples kindly let us hear from you.

Our terms are 2 per cent ten days, or thirty days net, after receipt of goods.

Hoping to soon hear from you, we remain,
Yours, very truly,

LAESSIG & CO.
Per W. E. GERNAN.

EXHIBIT B.

NEW YORK, *November 18, 1908.*

CAMPBELL ART COMPANY,
New York, N. Y.

DEAR SIRS: Replying to your favor of the 17th instant, will say that we can make delivery of black and white gelatin cards in eight weeks after receipt of photos. Advance samples are generally received after five or six weeks, and the goods arrive two weeks later. If 25 subjects are ordered at one time, we can quote you $3.10 per 1,000, and the same card hand-colored style, best quality, at $5.75 per 1,000 f. o. b. New York, 2 per cent ten days, or thirty days net.

We also print 500 of a subject in these two styles if necessary, but of course the prices are, in proportion to the larger quantity, much higher.

We inclose you herewith a few samples of our works, and, hoping that you will favor us with your esteemed commands, we remain,

Very truly, yours,

NEWFIELD & NEWFIELD.

P. S.—If you desire to buy in marks at the factory, you do pay all charges from either Berlin or Frankfort to this port. You can save about 5 per cent on the above quoted prices, but this would only pay you if you get shipments of not less than 50 mille at a time.

PAPER NOVELTIES.

[Paragraph 407.]

THE PAPER NOVELTY MANUFACTURING CO., NEW YORK CITY, ASKS A COMPOUND DUTY ON ITS PRODUCTS.

NEW YORK, *November 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We beg to file with you our brief regarding the tariff on paper decorations and paper novelties.

The products involved are paper decorations and paper novelties.

These are at present classed under paragraph 407, Schedule M, as all other paper not specially provided for in this act and are at present subject to a duty of 35 per cent ad valorem.

We respectfully recommend that these articles henceforth be specially classified as paper decorations and paper novelties and that they henceforth be subject to a specific duty of 6 cents per pound and 25 per cent ad valorem. In view of this we recommend that the following paragraph be inserted into the new tariff law "On all paper decorations and paper novelties a specific duty of 6 cents per pound and 25 per cent ad valorem."

REASONS.

Letter A from S. H. Knox & Co., of Buffalo, N. Y., of the 5 and 10 cent syndicate, having eighty-odd stores, gives some idea of the quantity of this line of goods used by such a concern. This

order would (including a proportionate amount of 10-cent bells) have amounted to upward of $15,000; this entirely without any other form of paper novelties other than the red tissue bell. This concern also sells green paper bells, paper garlands and wreaths, and a conservative estimate of their complete order in paper novelties would be $20,000.

F. W. Woolworth & Co., of New York, have 200 stores, and figures proportionately they would use $47,059 worth of these goods annually. S. H. Kress & Co., of New York, and F. M. Kirby & Co., of Wilkes-Barre, Pa., each have 85 stores, and would use approximately $20,000 worth. J. G. McCrorey & Co., of New York, have 65 stores, and would use probably $15,000 worth annually. Then there are E. P. Charlton, of Fall River, Mass., with 32 stores; S. S. Kreage, of Detroit, Mich., with 19 stores; and several other syndicates with 10 and 15 stores, who would use proportionate amounts.

Then there are Sibley, Lindsay & Curr Company, of Rochester, N. Y., and Butler Brothers, of New York City, George Borgfield & Co., of New York, Stroebel & Wilkin Company, of New York, and several others throughout the country who use from $5,000 to $20,000 worth of goods in this line annually. Then, there are hundreds of stores who use from $500 to $3,000 worth of these goods throughout the year. At present fully 85 per cent of the business in this line goes to foreign manufacturers.

Again, calling your attention to letter "A." In reply we wrote that we would have special dies made for any size that might be desired.

Now, calling your attention to letter "B." The 5-inch bell referred to is shown by sample No. 1. The cost was 62½ cents per gross to produce. We submitted bell No. 2 as one for 60 cents per gross, but it was too small. The 7-inch bell referred to was represented by No. 3, and cost was $1.04½ per gross to produce. Letter No. 3 represents the regrets of Messrs. S. H. Knox & Co., and when Mr. Connable was seen by one of our representatives on the occasion of his next visit to New York he informed him that the only reason for his placing the order with an import house was because of our inability to compete in the smaller sizes of bells, in which he did his largest business.

Letter No. 4 from Messrs. Sibley, Lindsay & Curr Company, of Rochester, N. Y., shows plainly the inability of the domestic manufacturer to compete with foreign manufacture of the goods. We are using machinery identical to that used in the manufacture of the foreign article, having imported our original machines from Europe.

The differences in costs, as shown by the example cited below, must therefore be accounted for in the difference between wage scales of the different countries as compared with those existing in the United States.

Bell No. 4 is an imported bell. These would cost us 27 cents per gross to produce. These bells are sold to the jobber by the importer at 30 cents per gross. The importer sells these goods at a profit of 10 per cent. This 30 cents then represents the 100 per cent of cost (duty paid) and the 10 per cent profit. The cost (duty paid), therefore is 27½ cents per gross. This 27½ cents now represents the 100

per cent billed to the importer and the 35 per cent duty; the cost as billed to the importer is therefore 20¼ cents.

In this class of goods a manufacturer can not possibly sell at less than 20 per cent profit, as he must figure his running expenses into the goods and also allow for wear and tear on the machinery and breakage of dies. Granting that the foreign manufacturer makes in this instance the minimum profit, this 20¼ cents now represents the 100 per cent of importer's cost and this 20 per cent profit. The manufacturer's cost price is therefore practically 17 cents per gross; as previously stated, it would cost us 27 cents per gross to produce this bell. We have then a difference of 10 cents per gross. These goods weigh 12 ounces to the gross. The specific duty at 6 cents per pound would equal 4½ cents. The 25 per cent ad valorem duty would equal 4¼ cents. Adding the two we have 8¾ cents, leaving a difference of only 4½ cents in the cost of production of the foreign article and that of the American.

Bell No. 5 represents a bell of foreign manufacture, which is sold by the importer to the jobber at 60 cents per gross, whereas the same size costs us to produce 58 cents per gross. Again, figuring off the 10 per cent importer's profit, the 33 per cent duty, and once more allowing that the foreign manufacturer makes the minimum profit, we find the cost of the production of the foreign article to be 34⅛ cents. This article weighs 42 ounces to the gross. The specific duty at 6 cents per pound would be 17 cents. Twenty-five per cent ad valorem would be 8½ cents. Added, would be 25½ cents. Added to the cost price of the foreign production would bring it practically to 60 cents, or about 2 cents higher than the cost of production of our article.

In the case of the fan, sample No. 6. These are sold by the importer to the jobber at 65 cents per gross. Our cost is 63½ cents per gross. Again, figuring off the 10 per cent, the 35 per cent, and 20 per cent, we find the manufacturer's cost of the foreign article to be 36½ cents. The weight per gross is 3 pounds. The specific duty at 6 cents per pound equals 18 cents. Twenty-five per cent ad valorem equals 9⅛ cents. Added, equals 27⅛ cents; plus the manufacturer's cost of 36½ cents brings it to 63⅝ cents, or one-eighth of a cent higher than our cost of production.

Practically the same ratio of comparative costs of production exist throughout the entire line.

It can be seen, therefore, that a specific duty of 6 cents and a duty of 25 per cent ad valorem about equalizes the cost of foreign and domestic production.

Although it is impossible to get at the exact wage scale existing in foreign countries in this line, it can be seen from the fact that although we are using the same machines as that used in the manufacture of the foreign article, the difference must be caused by the difference of wages.

This brings our petition strictly within the lines of the Republican party platform in that part of the tariff plank which says that a sufficient duty will be levied on imported articles so as to equalize the wage scale.

This industry is one comparatively young in this country, and it is one in which the field is enormous. Were sufficient duty levied upon the article so as to enable the domestic manufacturer to compete with

the foreign manufacturer of the goods it is one which would assume large proportions in a few years.

The reason a specific duty and ad valorem duty are asked for in preference to the ad valorem duty is that 6 cents per pound will account for the difference in cost between materials. Six cents per pound and 15 per cent ad valorem is the duty at present levied on tissue papers in reams. The 25 per cent ad valorem allows the domestic manufacturer a fair working margin to account for his manufacturing expenses, such as rent, cost of gas, steam, or electric power, wear and tear on machinery, breakage of dies, etc.

We trust that coming as we do strictly within the lines upon which the tariff is to be revised, our application will be regarded favorably.

Very respectfully,

PAPER NOVELTY MANUFACTURING CO.

EXHIBIT A.

BUFFALO, N. Y., *May 28, 1908.*

PAPER NOVELTY MANUFACTURING COMPANY,
New York, N. Y.

GENTLEMEN: In regard to the Christmas-bell business, there are some novelties in the way of paper stars that we can only get on import, and we do not want sufficient quantities to make individual shipments. Also extra inducements were tendered us to get the order on bells. Both of these matters influenced us to place the order elsewhere.

The writer regrets very much to have put you to so much trouble, but assure you that the quotations are strictly confidential, and I appreciate your disposition to meet our wishes in every way, and trust we may be able to give you some business possibly in this line out of stock through the fall, if not in some other line, that will reimburse you in a way for the time spent with us.

Yours, truly,

S. H. KNOX & CO.,
Per RALPH CONNABLE, JR.

EXHIBIT B.

BUFFALO, N. Y., *April 4, 1908.*

PAPER NOVELTY MANUFACTURING COMPANY,
New York, N. Y.

GENTLEMEN: Yours of the 2d at hand, and in reply will say after going over our figures we find that the quantity that we could give you of the small paper bells is not very heavy. We could use probably 5,000 gross to sell at 6 for 5 cents; 1,200 gross to sell at 2 for 5 cents; 1,200 gross to sell at 5 cents; all red, heavy paper. The sizes you submit are not right for these selling prices as to still give us a good margin. The bells that we use should cost us not far from 60 cents, $2, and $4 per gross.

We doubt whether this quantity would warrant you in getting up special dies that you could offer us at about these prices.

Yours, truly,

S. H. KNOX & CO.,
Per CONNABLE.

EXHIBIT C.

BUFFALO, N. Y., *April 10, 1908.*

PAPER NOVELTY MANUFACTURING COMPANY,
New York, N. Y.

GENTLEMEN: The writer was in New York this week, but did not have time to stop in and see you. We therefore reply to yours of the 7th and will say the 5-inch bell would be all right, except price, and would not sell it at ò for 5 cents. You should have something in this to cost not over 60 cents per gross. The next size, 3 for 5 cents, your 7-inch bell would do if it did not cost us over $1. You did not quote us on this in your letter of April 7, so do not know what your price is.

Your 9-inch would answer very well for the 2 for 5 cents bell, and your 12-inch possibly for the 5-cent bell, if you would give us 8 more layers of paper. The meshes should be glued a trifle closer together.

Now this gives you an idea of what we want. Please advise us what you can do in the matter.

Yours, truly, S. H. KNOX & Co.

GEORGE BORGFELDT & CO., NEW YORK, OPPOSE SUGGESTED CHANGE IN CLASSIFICATION OF PAPER NOVELTIES.

48–50 WEST FOURTH STREET,
New York, January 25, 1909.

CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: We beg to refer briefly to the request filed with the committee to take such articles as Christmas bells, garlands, and fans (all of tissue paper) out of the purview of paragraph 407 of the Dingley Act, wherein they are provided for as manufactures of paper at the rate of 35 per cent ad valorem, and that the rate on these articles be increased to 25 per cent ad valorem, and 6 cents per pound, making an ad valorem rate of between 50 and 60 per cent.

This we desire to strongly protest against for the simple reason, if no other, that such action would impose upon the importers of this merchandise a gratuitous and unnecessary burden, in that the advance to a specific rate on these articles of about 60 per cent would not be of benefit to the American manufacturer, but would, on the contrary, be of harm to the importer and necessarily diminish the revenue derived from the importation of these articles.

There is no competition between the domestic and the imported article. The imported article can not compete with the same domestic article. The domestic article is made cheaper and is marketed cheaper than the same can be imported, and the sale for the imported article is only to the extent that it is new and novel. As soon as the importers bring out novelties and new goods, place the same upon the market, and they prove successful, they are at once imitated by the American manufacturer, and manufactured cheaper than they can be imported. Importation, therefore, practically ceases, and the domestic article takes its place. This holds true in every instance after a novelty has met with success in the American market.

Reference is made in the application referred to, as one of the reasons the domestic interests are asking for the increased rate on

these tissue-paper articles, is that certain 5-cent and 10-cent houses throughout the country are importing large quantities of paper bells, paper garlands and wreaths, which it is thought desirable to have made and sold here. An element which enters into the placing of orders for these articles by the houses in question, and which is not considered by the gentlemen petitioning, is that, in our opinion, the question of price is not controlling or the one that leads these houses to import these articles, but more so the question of convenience of packing these goods with toys or other goods which they get from Europe. The reason for this is that the demand of the individual small store of these syndicates does not warrant making shipment of these items alone. These stores are scattered throughout the country and in the smaller cities.

A further and cogent reason against removing these articles from the "manufacture of paper" clause, and placing a specific duty upon them as "paper decorations and paper novelties," is that it would lead to endless litigation, and untold confusion would arise. It would be utterly impossible for any examining officer to classify such articles as "novelties." What would be a novelty to-day would cease to be a novelty to-morrow. A novelty article of this nature, after its newness has worn away, is no longer a novelty. Webster defines a novelty as "the quality or state of being novel; new; freshness; recentness of origin or introduction; something novel; a new or strange thing."

With reference to the wage scale referred to, we beg to say that while we have not the facts and figures in comparison between the two, judging from existing conditions it must be in favor of America; otherwise our novelties could not be copied and undersold here in the American market. There is, in addition to the duty of 35 per cent enjoyed by the American market, also the geographical protection, not to speak of the cost of transportation in bringing these goods a distance of some 4,000 miles, plus the additional protection arising from the cost of cases, amounting to about three times as much abroad as in this country. Any difference in the labor charge we believe is more than offset by these additional charges which have to be borne by the importer. At any rate, the result is as stated, that the imported article can not meet the domestic article in competition, and the principal sale of the imported article is so long as it is "novel."

Respectfully submitted.

GEO. BORGFELDT & Co.

PRESS BOARDS.

[Paragraph 407.]

THE ROGERS PAPER MANUFACTURING COMPANY ASKS FOR ADEQUATE PROTECTION FOR PRESS PAPER.

WASHINGTON, D. C., *December 21, 1908.*

To Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: We have the following facts to lay before you and the committee in reference to the higher grades of press boards:

The present duty on the lower grades is ample, but on the higher grades it is inadequate.

The high-grade press boards are known in the American market as press board, press paper, and sometimes as Fuller's boards. In the European market they are often simply called cardboard or press cardboard.

This product does not appear in the present schedule. It is commonly included under miscellaneous paper products like boards or cardboards, but it is an entirely different manufacture. Cardboards are made largely from a waste product or from wood pulp. Press boards of these higher grades are made entirely from the best kind of new rags, and are finished by continuous, long, and repeated rolling and by friction surface burnishing, which consolidates and highly surface-finishes it, so that it is a radically different article from the common wood, straw, or binder's board. The price per ton often rises to $400, according to the labor spent in the rolling and surface-finishing.

Present law, see schedule M, paragraph 407.

Change desired: On the higher grades, selling from 8½ cents to 20 cents per pound, 35 per cent to 70 per cent.

Reasons therefor: These high-grade press boards are manufactured from rags, and not at all from wood pulp or waste papers.

Amount of product in the United States is estimated about 6,000 tons per year on all grades.

Price of high grades of press board as sold in the market is 8½ to 20 cents per pound, according to the quality.

Product used for what purpose: Finishing textile goods, especially silks, woolens, and knit goods.

Number of persons interested in the industry are estimated at about 250.

Percentage of labor to cost of material in finished product of the high grades of press board: Approximately 80 per cent and upward of cost of product is labor only.

Opposition from abroad is active and increasing. Owing to the lower price of labor abroad, foreign manufacturers are able to pay freight charges, a profit to the paper dealer or middleman, and the present duty of 35 per cent, and still undersell us in this country. This is true to such an extent that at the present time we manufacturers here are shut out of our own home market when we try to sell our high grades of press boards.

The average price paid a workman here for finishing press board will run from $2.25 to $3 per day, and for the same labor abroad, for finishing, the workman is paid from 75 to 90 cents per day.

The foreign manufacturer has little if any advantage over us excepting as to labor, but in our particular product, this highly finished press board, the cost of the labor is fully 80 per cent of the entire cost of the product; hence his advantage is so great that he controls our home market on the high grades of press board.

Our company has installed considerable machinery for finishing high grades of press board, which lies idle months at a time simply because we can not sell our product here in our home market under the present conditions.

Give us cheap labor or adequate tariff protection and we can produce these goods.

We have the honor to remain,

Yours, sincerely,

THE ROGERS PAPER MANUFACTURING CO. (Incorporated),
KNIGHT E. ROGERS, *President.*

STRAWBOARD.

[Paragraph 407.]

THE CALIFORNIA PAPER AND BOARD MILLS, SAN FRANCISCO, ASKS A HIGHER DUTY ON STRAWBOARD.

SAN FRANCISCO, CAL., *November 20, 1908.*

Hon. J. C. NEEDHAM, M. C.,
Washington, D. C.

MY DEAR MR. NEEDHAM:

* * * * * * *

We are the only company left on this coast manufacturing strawboards, all the others having gone to the wall. We have been forced through foreign competition on strawboard to almost abandon the production of that important article.

This board is made from straw produced by the farmer and with the use of lime and other products manufactured on this coast. The market is now being supplied with strawboard from Japan, Germany, and Holland.

The lowest labor that we have in our employ is $1.75 per day, and this varies up to $5 per day. Our last figures on the cost of production show that it costs us $27.88 to produce a ton.

The receiver of the United Boxboard Company, which failed in the East recently, in his printed report shows that it cost them East about $26, no doubt the difference being in slightly reduced common labor.

A wholesale paper house here has lately contracted for 500 tons of strawboard from Holland at $28.50 per ton delivered in this city, duty and freight paid.

As the raw material costs them very near as much as it does us, you will see the difference is almost entirely in the cost of labor. Deducting freight and the present tariff, they only receive about $16 for their boards at the mill, whereas it costs us at least $10 more per ton to produce the same board at our mill, which difference is represented in the increased wages we pay our help.

Under the circumstances, not only should the duty not be reduced on strawboard, but, in order to keep this industry from entirely ceasing, it should be increased.

If this were done we would be able to use more raw material produced by the farmer and other products of the producer in this State, keep our present help at their present wages, and our money on this coast, instead of sending it abroad.

I am writing to you personally because of my old acquaintance with you, and also because this company is the only one on this coast

engaged in this form of business, and it was impossible to join with any other interests in presenting the matter.

Japanese strawboard is selling in this market, duty and freight paid, for $28 to $30 per ton, according to sizes.

Thanking you in advance for any attention that you may give this request, and hoping to hear favorably from you in regard to it, I am,

Very truly, yours,

M. R. HIGGINS, *President.*

SAMPLE BOOKS AND CARDS.

CHICAGO, *November 14, 1908.*

Hon. SERENO E. PAYNE, M. C.,
Chairman of Ways and Means Committee,
Washington, D. C.

DEAR SIR: We respectfully call your attention to the importation of sample books and sample cards from foreign countries, and in particular from Germany and Switzerland.

We find the law governing sample books very slack, inasmuch as the law reads that samples of no value should enter our ports free of duty.

This may be justice all right, or very desirable for the importer, but it is certainly a great injustice to the sample-book and sample-card manufacturers of the United States.

Samples entering this country without a duty might be justified, but that sample books which contain samples should not be subject to a duty is an absolute injustice to the manufacturers of sample books and sample cards in this country, as well as to the bookbinders and printers employed in that trade.

We have taken this matter up with the American Protective Tariff League of New York, of which we are, by the way, members, and they advise us that on the 25th instant the matter of pulp, paper, and books will come before your committee.

We have reason to believe that the importation of sample books and sample cards are railroaded through the custom-house with a few samples in them, making them sample books of no value under the present law, and yet these books are filled for several seasons with new samples and carried by the various salesmen from the Atlantic to the Pacific coast.

We know, for instance, of firms who are importing certain sample books amounting to from $500 to $2,000 a year, and on all the book-binding and printing not a cent of revenue is paid, because the claim is made that sample books enter this country free of duty.

If it would be necessary for us to send a sample to you we shall gladly do so, or furnish you with any further information you might desire. As a rough estimate, and a very conservative figure, we believe at least $100,000 importations per year are made which are not paying duty.

Very respectfully, yours,

E. W. BREDEMEIER & Co.,
E. W. BREDEMEIER.

PAPER MATERIALS.

GEORGE W. WHEELWRIGHT PAPER COMPANY, BOSTON, MASS., ADVOCATES REDUCTION OF DUTY ON ALL ARTICLES WHICH ARE USED IN PAPER MAKING.

95 MILK STREET, BOSTON, *January 4, 1909.*

To the Committee on Ways and Means of the House of Representatives:

Respectfully represents the George W. Wheelwright Paper Company of Massachusetts, manufacturers of book and card papers, that it sent representatives to the hearing before your committee on November 21, 1908, and that lack of time prevented your committee from hearing these representatives, and the said company therefore asks leave to file this short brief.

Your petitioner desires to call your attention to the fact that it, like other manufacturers, is a large consumer as well as producer. There has not been made to your committee any suggestion that the rates of duty on paper should be increased.

In the general scheme of tariff revision it seems proper that with the idea of raising revenue and reducing the artificial scale of prices the duties of many imported articles will be considerably reduced. That such a reduction would be for the benefit of the community at large, and of the manufacturers in particular, seems to have been the opinion of both political parties in the last campaign, and it seems clear that it is only by reduction that the cost of the articles consumed in paper making, for instance, can be reduced for the benefit of the consumer as well as of the manufacturer.

The experience of the past twenty years has shown that the consumer of paper has constantly benefited by the lowering of manufacturers' costs, and that the consumer has had almost the entire benefit of the savings of the manufacturers as represented in increased plants; the increased production, the essential element in the reduction of costs, being made possible only by increased facilities, requiring large investments.

As an illustration of this reduction, the price of uncalendered book paper in 1888 was 6 cents per pound and is to-day 4 cents per pound. The industry seems to have reached the point that, while some further reduction in cost of production may be arrived at by improved economical methods of manufacture, the only great reduction of cost possible would be from a reduction in the price of the articles consumed in manufacture. Below is appended the table of duties upon articles consumed in paper manufacture.

Lumber, sawed boards, etc., planed on one side, $1 per thousand, and higher as further worked on, up to $2.50 per thousand. (Paper manufacturers consume large quantities of lumber in making packing cases, and a great quantity of heavy lumber is used in the construction of mills and works which have to be continually renewed.)

Steel castings, etc., section 135 of the tariff of 1897. Steel beams, 0.5 of a cent per pound. Machinery, 45 per cent ad valorem.

Coal, bituminous, $0.67 per ton.

Wire cloth: The rate of duty imposed on wire, which is 45 per cent ad valorem, and in addition thereto 1¼ cents per pound.

Felts valued at over $0.70 per pound, the duty per pound is four times the duty imposed by the Dingley bill on 1 pound of unwashed wool of the first class, that is $0.44 and 55 per cent ad valorem.

Chemicals: Alum, duty one-half cent per pound, price 1 cent delivered our mill. Soda ash, three-eighths cents per pound, price 1.04 cents per hundred pounds delivered. Bleaching powder, one-fifth of a cent per pound, price per hundred pounds 1.35 delivered.

Colors: Prussian blue, 8 cents per pound. Ocher, one-eighth of a cent per pound. Ultramarine blue, 3¾ cents per pound. Wood pulp chemical bleached, one-fourth of a cent per pound; unbleached, one-sixth of a cent per pound. Wood pulp ground, one-twelfth of a cent per pound.

As far as your petitioner is aware, no request has been made your committee to increase the duties on any of these articles except upon colors. The manufacturers of coal-tar dyes have asked you for (*a*) the removal of the duty on all intermediate products, and (*b*) an increase from 30 per cent to 40 per cent ad valorem of the duty on aniline dyes.

These manufacturers now import intermediate products, which may have reached the seventh, eighth, or ninth stage in a scale of ten steps in the process of manufacture, the object being to get as near the finished article as possible without subjecting it to the duty of the final resulting color. The conversion of these intermediate products into aniline dyes is very slight and simple. The manufacture of coal-tar dyes in their entirety from the raw material is an industry, but the buying of intermediate products and converting them into dyes is a business but not an industry.

Your petitioner wishes to record its objection to the increase of the duty on aniline dyes.

But your petitioner, thinking it probable that your committee will determine in their revision of the tariff upon a general lowering of duties, desires to make clear to you the great benefit which would accrue to it as a manufacturer were the burden of the tariff on the above articles lightened.

Were this done, a reduction in the duties upon manufactured book paper could properly be made.

Such a reduction, particularly of the duties on coal, iron, lumber and wood pulp, would tend to preserve the natural resources of the country, and to bring about a decided reduction in the cost of paper. (It is estimated that each ton of book paper manufactured is enhanced in cost some $3 by the duties upon the factors which go to make it.) The protection which is given to a manufacturer by cheapness of raw material and of articles consumed, aids him in all his transactions, domestic and foreign, and enables him to maintain a steady production.

Particularly in regard to coal is a reduction or a taking off of the duty much to be desired; for example your petitioner makes about 15,000 tons of paper per annum, and consumes in so doing about 15,000 tons of coal. As its mills are situated in New England, it is at a disadvantage in the matter of the price of coal over mills in any other of the paper-making States outside New England. Even if the price of the coal now consumed is not increased by the whole

amount of the duty on it, it is clear that there is some enhancement of cost. The matter of coal prices is largely a question of freights; New England's natural coal fields are in the maritime provinces, while western parts of Canada would naturally get their coal from the United States were it not for the tariff line.

Esparto grass is a very valuable fiber for the manufacture of paper. This grass is not grown in this country in any commercial quantities, and should be put on the free list, and pulp made from this grass, which now is subject to a duty of 45 per cent, should certainly not pay a higher duty than chemically prepared wood pulp; but, as it is a pulp which can not be produced in competition with wood pulp, it would, however, be very desirable to place it on the free list. Esparto pulp is made in England to advantage, because the grass is brought back together with ores by the ships bearing coal to the ore-producing countries which also produce Esparto grass, such as Spain and Algiers.

Our commercial arrangements do not permit this interchange.

The cost of manufacturing book paper is not only increased by the above duties on the articles consumed in the process, but by the higher wages paid in this country. More than twice the daily wage is paid than in Great Britain, for instance. When these increased costs are considered, it is evident that the duty on the final product is moderate and just.

In conclusion, your petitioner would state that it recognizes the necessity of the Government raising a revenue adequate for its needs, and it feels it to be just that the paper industry should, in common with the other great industries, bear its share of the burden. It believes that the tariff should be so contrived as to cheapen the raw materials of manufacture, to conserve the natural resources of the country, and to bring about a reduction of the artificial prices of all commodities which greatly increase the cost of living and have of late years made the burden of local taxes exceedingly heavy.

Respectfully submitted.

GEO. W. WHEELWRIGHT PAPER COMPANY,
By GEO. W. WHEELWRIGHT, *President.*

SCHEDULE N.

SUNDRIES.

SCHEDULE N—SUNDRIES.

BEADS.

[Paragraph 408.]

THE EMBROIDERY AND LACE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES SUGGESTS AN AMENDMENT TO THE TARIFF PROVISION FOR BEADS.

488 to 492 BROADWAY,
New York, November 27, 1908.

The COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We recommend that paragraph 408 (Schedule N, sundries) be amended so as to read as follows:

PAR. 408. Beads of all kinds, not threaded or strung, thirty-five per centum ad valorem; fabrics, nets or nettings, laces, embroideries, galloons, wearing apparel, ornaments, trimmings, and other articles not specially provided for in this act, composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material, sixty per centum ad valorem: *Provided*, That no article composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material shall pay duty at a less rate than imposed in any schedule of this act upon articles without such beads or spangles.

The object of this proviso is the same as a similar proviso at the end of paragraph 339 in Schedule J, so as to preclude the possibility of any article coming in at a lower rate than intended by the mere addition of some beads or spangles, and thereby defeating the intent of the act in regard to such articles.

Yours, truly,

THE EMBROIDERY AND LACE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,
Per A. H. KURSHEEDT, *President.*

AMERICAN BRAID MANUFACTURERS RECOMMEND A NEW CLASSIFICATION FOR BEADS OF ALL KINDS.

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: "Beads of all kinds, not threaded or strung, thirty-five per centum ad valorem; fabrics, nets or nettings, laces, embroideries, galloons, wearing apparel, ornaments, trimmings, and other articles

not specially provided for in this act, composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material, but not composed in part of wool, sixty per centum ad valorem."

We recommend that paragraph 408 be amended so as to read as follows:

Beads of all kinds, not threaded or strung, thirty-five per centum ad valorem; fabrics, nets or nettings, laces, embroideries, galloons, wearing apparel, ornaments, trimmings, and other articles not specially provided for in this act, composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material, sixty per centum ad valorem: *Provided*, That no article composed wholly or in part of beads or spangles made of glass or paste, gelatin, metal, or other material shall pay duty at a less rate than imposed in any schedule of this act upon articles without such beads or spangles.

The object of this proviso is the same as a similar proviso at the end of paragraph 339 in Schedule J, so as to preclude the possibility of any article coming in at a lower rate than intended, by the mere addition of some beads or spangles, and thereby defeating the intent of the act in regard to such articles.

Respectfully submitted.

BRAID MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,
HENRY W. SCHLOSS, *President.*

STRAW BRAIDS AND HATS.

[Paragraph 409.]

PARSONS BROTHERS, BROOKLYN, N. Y., ASK AN ADVANCE OF DUTY ON BLEACHED AND DYED CHIP AND STRAW BRAID.

WASHINGTON, D. C., *November 24, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives.

GENTLEMEN: We have the honor to invite your attention to the needs of a higher duty on dyed and bleached chip and straw braids which are used in the manufacture of hats.

The present duty on bleached and dyed braids is but 5 per cent more than that charged on the raw material—i. e., "not dyed or bleached, 15 per cent; if dyed or bleached, 20 per cent"—and this 5 per cent does not give the American dyer a sufficient margin to compete with the foreign dyer, who has the advantage of cheaper labor and materials.

The chemicals and dyes entering into the dyeing and bleaching of braids to the extent of nearly 60 per cent of the cost of production, and these chemicals and dyes are dutiable under the present tariff, 25 per cent.

Therefore, we pray you that the duty on bleached and dyed chip and straw braid (Schedule N, No. 409) be advanced from 20 per cent ad valorem to 30 per cent ad valorem.

Respectfully submitted.

PARSONS BROTHERS (INCORPORATED),
J. U. PARSONS.

BRIEF FILED BY R. H. COMEY COMPANY, OF CAMDEN, N. J., AND PARSONS BROTHERS, OF BROOKLYN, N. Y., RELATIVE TO DUTY ON STRAW BRAIDS.

WASHINGTON, D. C., *November 28, 1908.*

Hon. SERENO E. PAYNE, *Chairman, and the*
Members of the Ways and Means Committee,
House of Representatives.

GENTLEMEN: We have the honor to invite your attention to the need of a higher protective duty on dyed and bleached straw and chip braids, which are used in the manufacture of hats.

The paragraph which we wish changed is No. 409, Schedule N, of the present law.

Our desire is that it should be changed to read thus:

409. Braids, plaits, laces, and willow sheets or squares composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per cent ad valorem; if bleached, dyed, colored, or stained, thirty per centum ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

Our reasons for desiring this change, which we consider good and which can be fully substantiated, are as follows:

The business of dyeing straw and chip braids is very similar to the business of dyeing cotton and woolen yarns. On these last-named articles the present duty is 3 cents per pound on raw material and 6 cents per pound on dyed or bleached material, the duty on the dyed or bleached being double that on the raw.

The present duty on straw or chip braids, raw, is 15 per cent and the duty on dyed or bleached braid is 20 per cent.

We are thus afforded a protection only 33⅓ per cent greater than the duty on the raw material, as compared to the double duty on dyed yarns.

There is a certain pattern imported from Italy to the extent of several million pieces annually which costs in Italy only 6 cents per piece in the raw or undyed state.

Our Italian competitors can afford to dye this pattern for one-half cent per piece in our money. The lowest possible price at which we can dye the same pattern is 1¾ cents per piece.

The extra 5 per cent duty in this case means only less than one-half cent per piece each added to the cost of the raw material, which enables importers in this country to bring this braid in all dyed and bleached and sell it at lower cost than that at which we could possibly produce it.

Our average labor costs us $2 per day. In England the average labor employed in the same business costs 60 to 75 cents per day, in Italy 40 cents per day, and in China and Japan 12 cents per day.

Chemicals and dyestuffs which we use in producing our colors and bleaches are dutiable at from 25 to 35 per cent, averaging 30 per cent. The flax and hemp twine that we use is taxed 35 per cent.

All of these articles can be obtained by foreign dyers much cheaper than we can buy them in the American market, and this, together with

their low labor cost, enables them to turn out work of a quality equal to ours at an immensely lower cost in everything.

The customs records show that the amount of chip and straw braids imported from England and Italy has greatly increased—from $815,428 in 1903 to $1,311,000 in the fiscal year ending June 30, 1907. Of this amount in 1907 $509,000 represented the value of dyed and bleached straw and chip imported from these two countries.

Figuring the dyeing and bleaching as equal to 20 per cent of the value, this represents approximately $100,000 of dyeing and bleaching business lost to American labor in this year.

The imports of braid from China during the same period increased from $550,376 in 1903 to $1,747,703 in 1907.

The Chinese and Japanese braids have been the most popular for the last two or three years, and it is only a question of a short time when the Japanese and Chinese will take up the dyeing and bleaching of braids which they produce themselves. The Japanese already have sent over small sample lots of good black.

This is entirely feasible, as evidenced by the fact that six years ago we conceived the idea of dyeing and painting the ordinary bamboo porch curtains, which are imported into this country in large quantities. This idea was promptly taken up by the trade, and we did an increasing business for three years. Last year we imported an immense quantity of these curtains, but when we attempted to sell them found we had competition in the same article.

The bamboo curtain raw can be landed in this country for 75 cents per hundred feet. We figure our dyeing costs us 75 cents per hundred feet, and sell these curtains at $2 per hundred feet. The Japanese-dyed curtains were landed in this country at $1 per hundred feet, thus indicating that they can afford to dye and sell them at an additional cost of only 25 cents per hundred feet.

We have asked you in another memorial to give us some protection in this article, but simply cite it to show that it is perfectly feasible for the Japanese or Chinese to take up the dyeing and bleaching of straw braids.

This danger is imminent and would most certainly result in the annihilation of our industry if we are not afforded the better protection herein asked for.

There are agents in this country representing foreign dyers who carry various dyed and bleached goods the importation of which, at the small additional duty, results in the loss to the Government of duty on chemicals, dyestuffs, etc., which would otherwise accrue through our consumption of same, and open to American labor a field for employment, and yet make no difference to the home consumer.

There are in Massachusetts alone large manufacturers, some of whom employ over 600 hands and at least 20 of whom employ dyers and bleachers to handle small odd lots of work; the large quantities of regular work being imported all dyed and bleached, because the low additional duty does not nearly bring the cost up to what it would be for these braids dyed and bleached here.

There are also job dyers and bleachers, who are of our class, who obtain only those orders which are needed to fill the immediate demands of small manufacturers who can not always be supplied by the

importers. These orders we get solely because of our convenient location and in spite of the higher prices we are compelled to charge.

Under present conditions our factories are running only about nine months of the year, and consumers use the imported article on account of its cheapness, and we secure orders that are necessary to fill in.

If the higher duty is passed, it will have a tendency to compel the manufacturer to give the Americans the work instead of placing his orders with the importers, who in turn place their orders abroad, but who ask a heavy margin for their risk and services.

The question is on the same basis and should be treated with the same consideration as that relating to the dyed and bleached yarns, of which we have given you illustration before.

The present system of duties upon dyed and bleached straw braid is almost like placing a tariff upon the different parts of a watch when they are imported separately and allowing the complete watch to come in free.

The imposing of extra duty on these goods would not increase the price to the consumer, because, although manufacturers find it cheaper to use imported stock already dyed or bleached, the importer has his profit, which results in the manufacturer paying very nearly as much for imported as for domestic work. Thus the consumer is not benefited by the low duty on these goods, while the American laborer loses heavily, and if the higher duty asked for were imposed the Government would gain revenue on chemicals and dyestuff, which would be used in the dyeing process.

Therefore, in order that we may successfully compete with foreign dyers, and, furthermore, in order to discourage the Japanese and Chinese from embarking in this industry, we recommend and suggest that the duty on dyed and bleached braids composed of chips, grass, willow, rattan, or straw for the manufacture of hats, which at present is 20 per cent, be increased to 30 per cent.

If this duty were increased upon the articles as prayed for, we could increase our plants here, employ more men, and run constantly throughout the year.

At the present time the dyers of straw and chip braids in this country are debarred from doing any dyeing or bleaching work for hat manufacturers in the Dominion of Canada, Mexico, or other foreign countries because of the duty on raw straw and chip braids.

The Dominion of Canada and Mexico particularly purchase all of their straw and chip braids in Europe and have it dyed and bleached there, and the American dyers and bleachers are excluded from any participation because of the duty which would be levied upon these braids if brought into the United States to be dyed.

We think it feasible, and would recommend, that this situation be covered by a provision providing that any straw or chip braids shipped direct from foreign countries to dyers and bleachers in the United States, the same to be dyed and bleached and immediately reexported to the owners, to come in free of duty.

The drawback system in force at present permits a return of about two-thirds of the original duty levied when the custom-house charges and broker expenses are taken into consideration. The one-third that is lost is too large a handicap to enable us to compete successfully with foreign dyers and bleachers.

If such an arrangement as we suggest could be considered, it would result in much additional business and the employment of considerable more labor in this country.

In conclusion, let us say that no trust or combination can be formed to raise prices by the dyers of chip and straw, because dyers are numerous and customers can easily arrange to dye their own braids. Most of the dyeing done in the United States is already done by the hat factories.

Example.

[Importation order, 2,000,000 pieces of Italian chip.]

2,000,000 pieces, at raw price in Italy (6 cents)	$120,000
15 per cent, present duty on raw braid	18,000
Cost landed raw in United States	138,000
Actual dyeing cost in United States, including labor, four times as high as Italy, dyestuff, chemicals, etc., dutiable at 30 to 35 per cent; twine, etc., dutiable at 35 per cent (1¼ cents per piece)	35,000
Total cost	173,000
2,000,000 pieces, at raw price in Italy (6 cents per piece)	120,000
If dyed in Italy with labor 20 per cent of our cost in United States; chemicals and dyestuffs 65 to 70 per cent of our cost in United States; twines, etc., 65 per cent of our cost in United States (¼ cent per piece)	10,000
	130,000
Present duty, 20 per cent	26,000
Total cost landed in United States to importers	156,000
2,000,000 pieces, at dyed cost in Italy (6½ cents)	130,000
Duty asked for, 30 per cent	39,000
Total cost landed in United States to importers	169,000

Even under duty asked for, we would be underbid $4,000 on such an order.

Respectfully submitted.

R. H. COMEY COMPANY (INC.), *Camden, N. J.*
PARSONS BROS. (INC.), *Brooklyn, N. Y.*

STATEMENT BY H. B. VANDERHOEF, OF NEW YORK, REPRESENTING THE MANUFACTURERS OF STRAW HATS AND IMPORTERS OF STRAW HAT MATERIAL.

SATURDAY, *November 28, 1908.*

Mr. VANDERHOEF. I represent the manufacturers of straw hats and importers of straw-hat material, mentioned under section 409 now embraced in three paragraphs, viz, the braids from which the straw hats are made, the bodies, which we call hoods, and which come from foreign climes, and manufactured trimmed hats.

We think the classifications should be changed. There is a very great injustice in the present classification. I have a brief here, which I do not propose to read, but which I propose to file with the committee. I think, however, I can explain briefly by some examples, and if you will bear with me a moment I will explain them.

Under the first paragraph comes straw braid, as we call it. It comes principally from China and Japan. It is straw grown in the field, taken therefrom and plaited by hand. There never has been, to my knowledge, a piece of braid plaited in any other way than by hand. The present duty on such an article is 15 per cent in its natural state and 20 per cent bleached. There is not an article of this kind produced in this country; not a yard that I know of is being produced here now, nor can it be.

I now exhibit to the committee a braid upon which we pay 15 per cent duty, which is landed and sold in New York for one-tenth of a cent per yard. I now show you the other extreme, being a fine braid that goes to make fine hats. On that the same duty is paid, and it figures out about one-half a cent per yard; so I claim, gentlemen, that the present duty on these straw braids should be maintained. We are a small industry. I figure that we have paid to the National Government one-half of 1 per cent of the entire duty paid the country in duties—one-half of 1 per cent, not in this article alone, but on the other articles I show.

The Government needs revenue. Here is an article—straw braids—on which we can all well afford to pay what we are paying now, and our manufacturers advocate no change.

Mr. CLARK. If you can not make that stuff in the United States at all, what necessity have you in any way, shape, form, or fashion for a tariff on it?

Mr. VANDERHOEF. Our necessity is not free raw material. If we have the duty taken off of braid and off of everything that goes to make a straw hat, we could not compete to-day with the foreign labor. Straw used to come in on the free list. America was the dumping ground for China and Japan. There were no standards, and there was no regularity. The consequence, there were auctions, and bankers, commission men, and all sorts of people offering the goods, and we never knew what the qualities were. That was a very grave condition; so much so that the manufacturers never knew where they stood.

Mr. CLARK. Can not a hat manufacturer tell the quality of that sort of goods as soon as he sees the goods?

Mr. VANDERHOEF. No; the braid does not run regularly. The Chinamen and Japanese are not very straight people to deal with. I have known of a case, for instance, where they would bill 240 pieces to the bale and there would be other material stuffed into that bale.

Mr. CLARK. Could you not sell these hats cheaper if you had the free raw material?

Mr. VANDERHOEF. We could, but there is no need for selling them cheaper. They are retailed from 10 cents apiece up to $10 apiece, and there is not a man, woman, or child going without a straw hat in this country because of the price of it.

Mr. GRIGGS. Could you not sell a better hat cheaper?

Mr. VANDERHOEF. We might, but I claim a man picking cotton, hoeing corn, or driving a truck need not wear a more expensive hat.

Mr. GRIGGS. He would much prefer to wear a 10-cent hat as against a 5-cent hat.

Mr. VANDERHOEF. I do not know of a 5-cent hat. All hats give the same wear and keep the sun from the person's head.

Mr. GRIGGS. Is it not true you are afraid there will be a great many more hat factories in this country if you let that stuff in free?

Mr. VANDERHOEF. No; that is not the point.

Mr. GRIGGS. You say there was so much material here at one time that the manufacturers——

Mr. VANDERHOEF. It came free to 1897.

Mr. GRIGGS. You say the manufacturers were embarrassed by the great amount of stuff that came to this country?

Mr. VANDERHOEF. Our industry is not embarrassed, whether duty is on or taken off of our raw materials. It does not matter a particle to us. I am only saying that for good reasons it would be better to leave it as it is.

Mr. GRIGGS. What are those reasons?

Mr. VANDERHOEF. The revenue for the Government is the main thing. We claim here is an article on which the Government can raise revenue without detriment to interests here.

Mr. COCKRAN. What is the revenue now?

Mr. VANDERHOEF. Fifty per cent.

Mr. COCKRAN. What is the actual amount?

Mr. VANDERHOEF. About a million dollars.

Mr. CLARK. Suppose we doubled the tariff, would it make hats any more expensive?

Mr. VANDERHOEF. Sure. You can not use braid of double the value and make the same-priced hat.

Mr. CLARK. That is owing to how much profit you make now?

Mr. VANDERHOEF. If you want to know about my profits I can tell you about that. We have to have in the manufacture of straw hats about as much capital as our total sales amount to. In other words, we turn our capital once a year. If we turn it once and a quarter, we are lucky, and we make from 5 to 10 per cent and consider ourselves fortunate.

Mr. CLARK. Do you make 5 or 10 per cent?

Mr. VANDERHOEF. Depending on the times and conditions.

The next classification to which I will call attention is what we import in the hood shape.

Mr. GRIGGS. Before you go on with that, it is mysterious to me why you do not want that on the free list, and I have asked you to bring out the reason.

Mr. VANDERHOEF. I would not want to have this country made the dumping ground of China and Japan.

Mr. GRIGGS. Why not?

Mr. VANDERHOEF. Because our experience in the past was that there were no standards to raw material.

Mr. GRIGGS. Then you were embarrassed by a superfluity of raw material?

Mr. VANDERHOEF. We like the present condition better than we did the condition then.

Mr. COCKRAN. You would like the duty, not by way of protection to American labor, but to protect you from inconvenience?

Mr. VANDERHOEF. The importers who handle the braid are with us on this subject, and the manufacturers are united in the matter.

Mr. GRIGGS. This is the first time I ever saw anybody embarrassed by too much raw material.

Mr. VANDERHOEF. What do you mean by that?

Mr. GRIGGS. You say you want the duty because you do not want so much of that brought in?

Mr. VANDERHOEF. Yes, sir; we get all we want of it. I do not want to have poked under my nose twice what I do want.

Mr. COCKRAN. Why not, if you get it cheaper?

Mr. VANDERHOEF. It is the quality. They now have standard qualities, and if the Chinamen plaited 50 bales of the material and I wanted to get that amount of first quality coming through the regular channels there would be no question about it being first quality. If the conditions are changed, as you suggest, the agent in China would inspect, and seeing it was not first quality would not buy it. Then the Chinamen would try somebody else on the first-quality scheme, and it would not go. Then the first thing you know, if we had a free list, some commission man would have this same braid, call it first quality, when it was, as a matter of fact, third or fourth quality, and it would be held here and finally offered at all sorts of prices. Quality is of extreme importance.

Mr. GRIGGS. Would not the manufacturer know it was not first quality?

Mr. VANDERHOEF. He could not tell until he inspected it in the factory. That is the very worst thing about straw braid—its irregularity.

Mr. GRIGGS. You do not want the tariff changed?

Mr. VANDERHOEF. You must understand that straw is straw, and it grows in the field, and every single crop is different. There are no two straw crops alike, and it has to be carefully sorted, carefully prepared, and carefully made. It is a delicate article, a delicate proposition, different from wool or anything of that sort that is a standard product. I want straw braid to remain as it is now—15 per cent on raw material.

Mr. GRIGGS. I am not going to question you any more about it. This is the first time I ever saw a manufacture embarrassed by the presence of a surplus of raw material.

Mr. VANDERHOEF. I am simply giving my reasons for it. Shall I leave this subject now?

Mr. GRIGGS. Yes.

Mr. VANDERHOEF. Under the present classification "B" are what we call "body hats," or "hoods," paying duty, 35 per cent. They are made in Italy and Sumatra and in China. I claim that there [indicating] is a hat that simply represents the labor in making—that is, the plaiting. I now show you another hat of the same body, which has been shaped and pressed, and on which there has been a certain amount of labor applied. We say these two hats should not come in under the same tariff. This first hat which I exhibit to the committee is one that can not be worn until it is shaped. This other hat is a hat that can be worn as it now is. The American laborer should have some protection against the labor that has been put on in Europe, and we say it is wrong to have these two hats come in under the same tariff.

Mr. GRIGGS. Are both of these hats imported?

Mr. VANDERHOEF. Yes, sir.

Mr. GRIGGS. Are they both leghorns?

Mr. VANDERHOEF. Yes, sir; both made in Italy.

Mr. GRIGGS. Do you just buy the braid?

Mr. VANDERHOEF. No; this hat is made just as it is.

Mr. GRIGGS. You import the hat that way?

Mr. VANDERHOEF. Yes; we import the hat that way. Here is another one that is imported this way [exhibiting hat to the committee].

Mr. GRIGGS. You can not import this hat and compete as against the other one which is completed in Europe?

Mr. VANDERHOEF. No, sir. This hat [indicating] can be blocked in Italy for 60 cents a dozen. Adding the extra cost in freight because of greater bulk, it brings it to about a dollar a dozen. It costs us over here $3 a dozen.

Mr. Chairman and gentlemen, I had just touched the second and third classifications. The second classification was the hat in a hood form and not shaped. The third classification was the hat shaped, which we think should pay more duty than the one not shaped. That hat at present pays 35 per cent [indicating]; that pays 35 per cent [indicating]. On that article there is a large business done and the American manufacturers get no benefit from it whatsoever. The work is done in countries where labor can be performed for one-fourth for what it is performed for here, and if we had the proper protection or duty on those two articles the American manufacturer and American laborer would receive some benefit.

In the fourth classification are two hats, one made in England and another made in America. The hats were made with identically the same braids and trimmings and were treated in exactly the same manner and by the same class of labor. On the braid item in the hat we pay 15 per cent duty; on the trimmings (the band) we pay 50 per cent duty; on the leather we pay 35 per cent duty, and on the satin we pay 50 per cent duty. On the lace lining in the hat we pay 60 per cent duty, and so, as I have said before, our little industry gives the Federal Government one-half of 1 per cent of all the duties collected under the present tariff, and we claim that paying duties as we do on every article that goes to make up that hat we are entitled to protection from goods made in foreign lands. When we get the absolute difference in the cost of those two hats we figure the braid item the same in both places, less the 15 per cent in England; the bands the same way, less 50 per cent in England; the lace the same way, 50 per cent, which brings it down to a question of labor. England produces that hat, in point of labor, for $1.88. It costs us $7.50 for performing exactly the same labor on the hat, and under the present duty that hat can be landed here——

Mr. CLARK. A dozen?

Mr. VANDERHOEF. Seven dollars and fifty cents a dozen. That hat can be bought in England by any retailer in this land, or any wholesaler in the land can buy it at 30 shillings, that is, figuring it at $7.50 a dozen, and we have to pay duty, freight, packing charges, which, as near as we can figure it, brings it up to 40 cents per shilling; so that hat landed in New York at 40 cents a shilling costs $12. That hat made in New York in precisely the same way costs $14.94, and we claim that we can not continue to make hats when hats can be landed here at any such difference of labor.

Now, gentlemen, there are the classifications, giving the Federal Government a handsome revenue to-day. It is immaterial to us whether you take the duty off the raw material or whether you leave it as it is, or whether you add to that article; we prefer to have it left as it is because we think that you, looking after the Government's

interests, and we being taxpayers, the Federal Government should have a revenue from that article where it can not be produced in this country. On that article [indicating hood hat] we want it left at least at 35 per cent duty. On that article [indicating hood hat blocked] we simply want the difference of manufacture. That hat is partly manufactured, and we claim that it is not right to have it come in under that classification when it is partly manufactured. On this fourth classification we think we should be protected, being liberal subscribers to the revenue. I repeat that we pay one-half of 1 per cent of all the duties collected, and if we pay the duties on this merchandise, we claim that we should have protection on this one line.

Now, gentlemen, I am ready to answer any questions which the committee desires to ask.

Mr. CLARK. All the revenues you pay the Government you ultimately collect from somebody else, do you not?

Mr. VANDERHOEF. I beg your pardon.

Mr. CLARK. You speak as though you went down into your own individual pocket and paid this one-half of 1 per cent to the Government?

Mr. VANDERHOEF. No, sir; everybody in the country is paying that. Unless we manufactured hats this duty would not be paid.

Mr. CLARK. That is what I thought myself.

Mr. UNDERWOOD. What is the volume of the straw hats that are made in the country?

Mr. VANDERHOEF. We manufacturers make about $12,000,000 worth of straw hats.

Mr. UNDERWOOD. How much is the importation?

Mr. VANDERHOEF. For instance, the importations of braid, which comes under that classification, for the last ten years have averaged $400,000 duty.

Mr. UNDERWOOD. What is the value? We want to get the volume of business, and then you can give the duty.

Mr. VANDERHOEF. I have not the figures, but I have figured the duty. I have not the volume here. For instance, for the last ten years we have paid on hats of that article [indicating] on an average of $400,000 duty. Two or three million dollars a year, I should think, was the gross importation of that article.

Mr. UNDERWOOD. That hat has no competition here. Now what is the importation of hats?

Mr. VANDERHOEF. There is nothing of this kind made in this country—nothing of that kind. There is not a single hat made in this country that would come in that class. The only hats that we make in this country come in this class [indicating].

Mr. UNDERWOOD. What is the volume of business in that class?

Mr. VANDERHOEF. In this class, I should say about $12,000,000.

Mr. UNDERWOOD. What is the volume of importation?

Mr. VANDERHOEF. Importation of manufactured hats?

Mr. UNDERWOOD. Yes.

Mr. VANDERHOEF. That is a sliding scale; the importations are going ahead by leaps and bounds in that department. I will give it to you.

Mr. UNDERWOOD. Give it to us for 1907. That is a good year.

Mr. VANDERHOEF. In 1898 there were $36,000 worth imported, and in 1907 $148,870.77.

Mr. UNDERWOOD. And you produce 12,000,000?

Mr. VANDERHOEF. Twelve million; yes, sir.

Mr. UNDERWOOD. Then your importations do not amount to 1 per cent?

Mr. VANDERHOEF. No, sir; there is a change of style and fancy. Now, a rough braid like this [indicating] is a thing that comes and goes according to style and fancy. This [indicating] has not cut much of a figure in the last five or ten years, but it is cutting a great figure to-day, and I predict that the importations of this coming season will be five times as much as for the last year. We know that the largest of our customers have sent agents to England to buy these hats, and we know of orders they gave last year, which had not been done to any extent theretofore. It is simply a matter of change of style and fancy. We think we ought to have a tariff to protect us.

Mr. UNDERWOOD. You ask for a prohibitive tariff, for if it increased five times over what it was last year, that would only be 5 per cent, which is a practically prohibitive tariff.

Mr. VANDERHOEF. We think, in view of our paying the tariff on all these things, that we should have a protective tariff on that. We have a hat that we can sell in America for $12 which is almost as good as that. The hat will be of this style [indicating], and will give a man almost as much satisfaction.

Mr. UNDERWOOD. The Government is expected to receive a revenue from importations. There is no competition in these other articles; they are merely internal-revenue articles, but you want the duty fixed on this article where the competition to-day is only 1 per cent and the best you say it may grow to in the future would not be but 4 per cent?

Mr. VANDERHOEF. That is purely an estimate. Now, for instance, as a practical manufacturer, I am trying to take orders on that hat, but I can not do it. Why? Simply because this is interfering and not giving me an opportunity to run my factory. Now, gentlemen, if you will pardon me, speaking for our industry, I want you to look at this question just as though you were a hat manufacturer. That is the only fair way to look at it.

Mr. UNDERWOOD. But you overlook the fact that this committee has not only to look at it from your standpoint but from the standpoint of revenue.

Mr. VANDERHOEF. That is right, and if it was depriving the American citizens of one hat I would not be here before you. Our industry, as I have before stated, requires as much capital as the volume of our sales; in other words, if we do $1,000,000 worth of business we have to have $1,000,000 worth of capital, and at the end of the year our profit will not be 10 per cent and most of the time 5.

Mr. CLARK. Is not 10 per cent a pretty fair profit?

Mr. VANDERHOEF. We are perfectly satisfied with the profit.

Mr. CLARK. Then what is it that you want?

Mr. VANDERHOEF. I simply want protection in that 10 per cent profit.

Mr. CLARK. Nobody is trying to take it away from you.

Mr. VANDERHOEF. If you do not give me the duty on that article——

Mr. CLARK. The duty is on it now?

Mr. VANDERHOEF. Yes, sir.

Mr. CLARK. Is anybody trying to take it away?

Mr. VANDERHOEF. I do not know.
Mr. CLARK. Then what is the argument about it?
Mr. VANDERHOEF. We want it advanced.
Mr. CLARK. You want it advanced?
Mr. VANDERHOEF. Yes, sir.
Mr. CLARK. You will not get it as far as I am concerned.
Mr. VANDERHOEF. That is all right. I am simply here to tell you what the American industry needs; that is all. When I show you that a hat can be produced in England for $1.88 which will cost $7.50 here, it is up to you gentlemen to say whether you want to protect American industry or not.
Mr. CLARK. Can you tell me why Mr. Knox can manufacture his hats for seven and a half times as much?
Mr. VANDERHOEF. I will tell you. In the first place, Mr. Knox is under a tremendous expense of manufacture. Everything he does is by strictly hand labor. He pays the highest price for labor known in this country for the same work that is done. He is under enormous expense for selling his output.
Mr. CLARK. I bought a hat in Washington for $2 and it had some grease on it, and I went into Knox's place and laid that hat down on the counter when I was in New York and bought a new hat and paid him $5 for it, and when the grease was removed there was nobody but an expert who could tell one hat from the other. Now, how did it happen to cost Knox so much more than the hat manufactured here in Washington?
Mr. VANDERHOEF. What kind of a hat did you buy?
Mr. CLARK. I bought one that you could not tell from a Knox hat.
Mr. VANDERHOEF. Was it an English hat?
Mr. CLARK. I could not tell you what it was.
Mr. VANDERHOEF. I think it was an English hat that has come in and knocked the American hats out.
Mr. UNDERWOOD. Now, you have 99 per cent of the production in hats in this country and only 1 per cent of importation. Unquestionably the American market is being protected to-day. There can be no argument about that.
Mr. RANDELL. In that connection I would like to ask you a question. What protection has the American consumer—the wearer of hats—as against the prices fixed by the parties who have 99 per cent of the market by reason of that tariff?
Mr. VANDERHOEF. There is no fixed price in our trade. There is no trust or combination of any sort whatsoever, in treatment, process, or anything of that kind. Every manufacturer of hats stands on his own legs and is doing business in his own way, and the net profit to the manufacturer is small.
Mr. RANDELL. What is the difference in the labor cost for a hat like that [indicating] in England and in America?
Mr. VANDERHOEF. It costs $1.88 in England and $7.50 here.
Mr. GRIGGS. A dozen?
Mr. VANDERHOEF. Yes, sir.
Mr. RANDELL. That is the difference of the labor cost?
Mr. VANDERHOEF. Labor alone.
Mr. RANDELL. One is about $5 more than the other?
Mr. VANDERHOEF. Yes.
Mr. RANDELL. Then a man in America can do about one-fifth of what a man can do in England?

Mr. VANDERHOEF. It is all piecework; it is all paid for by the amount done.

Mr. RANDELL. If one man in America can only do one-fifth as much as a man in England, why does he not quit that work and do something else?

Mr. VANDERHOEF. Because we have to pay him the price plus——

Mr. RANDELL. They say that a tailor is only one-ninth of a man, and it would seem that a hatmaker is only one-fifth part of a man, measured from the American standpoint?

Mr. VANDERHOEF. I know that our men work at from $3 to $5 a day.

Mr. RANDELL. They make other things in America, too, besides hats?

Mr. VANDERHOEF. In England they do not work for that. For instance, with regard to this hat [indicating], I know as an absolute fact—because I have some of the Italian people in our employ to-day—that a man will make only $1 for doing that in Italy, and I can not get it done for less than $3.

Mr. RANDELL. What does a man who buys a hat like that [indicating] in America have to pay for it—I mean a hat like that one; you say the labor only costs a dollar and something?

Mr. VANDERHOEF. There is a hat [indicating] that we sell at $18 a dozen.

Mr. RANDELL. And the labor cost is $7.50?

Mr. VANDERHOEF. Yes, sir; $7.50.

Mr. RANDELL. What is the other cost?

Mr. VANDERHOEF. It is made up of braid, band, satin, kip, and leather sweat.

Mr. RANDELL. What is the cost per dozen for material?

Mr. VANDERHOEF. Four dollars and fifty-three cents.

Mr. RANDELL. The balance is the selling profit, is it?

Mr. VANDERHOEF. Yes, sir; the overhead charge, and selling profit, and office expenses.

Mr. RANDELL. It is all overhead charge, is it not?

Mr. VANDERHOEF. We call it overhead charge where it does not include the piece. There is a 10 per cent profit to us on that hat, selling it at $18 a dozen.

Mr. GRIGGS. Let me say a word. We grow cotton in the South in competition with Indian, Chinese, and Egyptian labor, which I understand is 15 or 20 cents a day. Now, how are we going to do it?

Mr. VANDERHOEF. I do not know, sir.

Mr. GRIGGS. They do it, and they do it successfully in the South.

Mr. VANDERHOEF. I may ask you a question there. There [indicating] is a hank of braid plaited, of straw, furnished complete, all in one piece, sent into this country with 15 per cent duty at half a cent a yard. Let me see American labor anywhere do that; we never heard of such a thing.

Mr. GRIGGS. We pay our share of the tariff and get none back, and we are growing cotton in competition with Indian and Japanese labor, and you folks up here who claim to be so smart, you manufacturers, are unable to compete with European labor and white labor. Now, why is that?

Mr. VANDERHOEF. It is simply the scale of wage, for an Italian laborer will work there at 60 cents a day, and we have to pay $3 a day; so it is very easily accounted for.

Mr. GRIGGS. I told you how we make cotton in the South as to labor. I will tell you how we manage labor with respect to cotton. The landlord furnishes the land and the tools, and pays half the expenses, and divides the profits with the man who makes it. Now, why can you not make a deal like that with your labor up here?

Mr. VANDERHOEF. Our concern has been in business since 1848. We have the most skillful mechanics, and play our game as intelligently as we think it can be played. We are an old firm and are leaders in the manufacture of hats.

Mr. GRIGGS. I have no doubt about that; but with us, if cotton is low the pay is low; if the crop is short the pay is short to the landlord and to the laborer. Why can you not do something like that instead of coming here and begging from the Government?

Mr. VANDERHOEF. We have trade unions in our country and it is sometimes difficult to handle the situation.

BRIEF SUBMITTED BY H. B. VANDERHOEF, REPRESENTING VARIOUS HAT MANUFACTURING CONCERNS.

NEW YORK CITY, *November 28, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: In behalf of a number of manufacturers of men's straw hats I desire to submit for your consideration their views regarding the present tariff on straw hats, classified under Schedule "N," section 409, of the act of July 24, 1897, relying upon the party pledge for a revision of the tariff.

At the outset we desire to go firmly upon record as desiring two separate forms of relief and believe that we can satisfy the Congress that we are entitled to both:

First. An increase in the rate of duty now paid on straw hats, etc., classified under Schedule "N," section 409, of the act of July 24, 1907.

Second. A change in the duty from an ad valorem rate to a compound rate and an amendment to the present classification.

For the first time in the history of the men's straw-hat industry we are united on one proposition, and that is that the recent decided increase in the importations of foreign-made hats manufactured from straw braid is a serious menace to our industry. Intense, and sometimes bitter, rivalry exists between the manufacturers in our trade, the result of the close competition and struggle for business, but in our fight for protection at your hands and a preservation of the business we stand united. There is no combination in the trade, no arrangement as to the standard of prices, terms, or discounts; indeed, not even a trade organization exists.

The entire industry affected by this particular section of the tariff is not big by way of comparison with other industries, and yet we represent approximately a capital employed of nearly $10,000,000, divided into 82 establishments and operating in 15 States. We employ nearly 6,500 wage-earners, substantially all of whom are men and women. Our product exceeds $12,000,000 annually, all of which is sold in the United States, it being impossible for us to successfully compete in any foreign market.

We are large contributors to the Government for tariff paid on our materials and on our straw-hat bodies coming into the country in the rough shape.

Every single item out of which our hat is made and trimmed is purchased abroad, with the exception of some trimmings on the cheapest grades and some of the highest quality of silks on the best grades, but these domestic materials bear an infinitely small percentage to the entire consumption—indeed, too small to even mention.

We schedule here the materials contained in a straw hat, together with the rate of duty imposed:

	Per cent.
Straw braid	15
Straw braid (bleached, stained, or dyed)	20
Trimmings (silk bands and binding)	50
Satin (linings)	50
Cut leather	35
Lace (tips)	60

The United States does not produce the straw that is braided and forms the body of the hat. Every single dollar's worth is imported and straw-hat manufacturers contribute to the revenue of the Government (Evans's Compilation of Imports and Duties) an annual average of about $400,000, reaching the high-water mark in 1907 of over $500,000, for duty on braids, unbleached and bleached. It is impossible to accurately state how much duty we pay on our silks, satins, leathers, etc., but an annual duty of $500,000 is not an unfair estimate. We also paid as duty on untrimmed hats nearly $5,000,000 since the passage of the Dingley Act, as will be seen from the table herein.

Year.	Value.	Duty.
1898	$543,244.57	$190,135.60
1899	527,710.16	184,698.59
1900	687,370.50	240,579.71
1901	885,041.66	309,764.63
1902	1,322,747.02	462,961.43
1903	1,322,752.54	462,963.43
1904	1,093,685.33	382,789.90
1905	1,098,729.21	384,555.30
1906	1,865,482.95	652,901.54
1907	2,436,214.94	852,675.27
1908	2,031,359.71	710,975.92
Total	13,794,288.59	4,835,001.32

From a compilation of these statistics it will appear that our industry has been paying as revenue to the government an annual average of $1,300.000 as duty upon our materials and bodies.

Are we not entitled to protection on our manufactured product?

It will be seen that the duty on all of our material scales from 15 to 50 per cent, and that the duty on the finished product is 35 per cent where the hat is untrimmed and 50 per cent where the hat is trimmed or ready to wear. So that it is readily observed that the difference in bringing the braid into the United States in its natural state and made into a hat body, shaped and blocked, is but 20 per cent and the difference in bringing in the braid, bands, bindings, silks, leathers in their natural state and when made into and placed on hat, averages from 22½ per cent to 25 per cent, taking into consideration the variable quantity of trimmings that enter into the making of a hat.

Can we compete against the foreign manufacturer with a protection of 20 per cent to 25 per cent on our product? This committee has heard a good bit of fact about cheap foreign labor and the straw hatting industry is no exception to the rule—a hat can be manufactured abroad at 25 per cent of the cost paid in the United States.

Now the labor cost on straw hats averages about 40 per cent of the net cost of the hat, so that if we receive but a protection of from 20 per cent to 25 per cent on the finished product and our labor costs us four times as much it is easily calculated that the foreign manufacturer can undersell us in the United States.

In order to give you gentlemen an accurate and intelligent comparison of the foreign-made and the domestic-made hats, we offer here two schedules showing the comparative costs, and the hats are identified as exhibits.

Schedule "A" (Exhibit 1) is the cost price of a straw hat manufactured in England and sold there to retailers at 30s., or about $7.50, a dozen. This hat has been extensively sold in the United States and can be landed at the retailer's door in New York City at $7.50 plus the duty of 50 per cent ($3.75) and the transportation charges of 50 cents per dozen, making a total cost of $11.75 to the retailer.

Against this hat we quote in Schedule "B" (Exhibit 2) the same identical hat, manufactured in New York City, showing a total actual cost of $14.94, irrespective of any manufacturer's profit or interest on investment, as follows:

EXHIBIT 1.

SCHEDULE A.—*English-made hat sold in England for 30s., or $7.50, and delivered in the United States for $11.75, duty and charges paid.*

Material:		
Braid (15 per cent duty)	$1.68	
Band (50 per cent duty)	.59	
Lace and satin (50 and 60 per cent duty)	.57	
Leather (35 per cent duty)	.47	
Thread	.18	
		$3.49
Labor		1.88
		5.37
Selling charges (5 per cent on $7.50)		.38
Office expenses, etc		.55
Actual cost		6.30
Discount (5 per cent on $7.50)		.38
Profit (8 per cent)		.82
		7.50
Duty (50 per cent)		3.75
Transportation		.50
		11.75

EXHIBIT 2.

SCHEDULE B.—*American hat made out of same quality of material and sold for $18.*

Material:		
Braid	$1.94	
Band	.88	
Lace and satin	.90	
Leather	.63	
Thread	.18	
		$4.53
Labor		7.50
		12.03
Selling charges (7 per cent on $18)		1.26
Office expenses, etc		1.65
Actual cost		14.94
Discount (7 per cent on $18)		1.26
Profit (10 per cent)		1.80
		18.00

It therefore appears that we have these bald differences in prices between two hats manufactured out of the same identical material:

Difference in cost of—		
Material		$1.04
Labor		5.62
Selling charges		.88
Office expenses		1.10
		8.64
Less duty (50 per cent)	$3.75	
Transportation charges	.50	
		4.25
		4.39

We start out with an actual difference of $6.66 between the actual cost of the labor and the material on a grade of hats sold in Europe at $7.50 per dozen, so that the duty of 50 per cent is a long way from giving us the necessary protection. And when we attempt to figure the overhead charges, meaning selling expense, office expense, rent, etc., the range grows so wide that it becomes heartrending to us to elaborate on it in argument. The tables exhibited here represent real solid facts, and can be verified by any inquiry. It will be observed that the materials used in the American hat cost the same as the materials used in the foreign hat, plus the duty and transportation charges. There is no difference between the intrinsic values of both hats.

The same situation exists in all grades and reaches even larger proportions as the prices ascend.

The question presents itself, why does this difference exist? You know the difference in the cost of the material and you see that the labor on a hat is almost twice the investment of the material. We have given you the exact relative cost of the labor in both the United States and in Europe. This great difference in labor is but the growth of recent years and we are paying fully 50 per cent more to-day than we paid at the time of the passage of the Dingley Act, and European labor has not increased a single penny.

HAT IMPORTATIONS.

In order that our argument may appear orderly we quote the table of importations of trimmed hats or hats ready to wear.

Year.	Value.	Duty.
1898	$36,654.01	$18,327.08
1899	40,392.91	20,196.48
1900	61,261.40	30,630.74
1901	64,896.64	32,448.35
1902	51,166.14	25,583.14
1903	38,788.62	19,394.33
1904	49,526.55	24,763.31
1905	54,186.49	27,093.27
1906	88,772.16	44,386.09
1907	148,870.77	74,435.39

It will be observed that there was a large increase in 1907 and the climax of a gradual increase since 1898, and we desire to say a word or two on this subject. The finished hat imported did not seriously interfere with our home industry prior to 1906. At that time a strong

desire on the part of retailers to purchase felt hats manufactured in Europe manifested itself and naturally reflected the same desire as to straw hats. They were sold over the same counters and bought by the same buyers, and it has ever been that both industries have felt the same industrial and commercial changes. Quick to realize that felt hats could be bought abroad cheaper than at home, they sought the same market for straw hats, and soon ascertained that they could get the same grades and qualities as produced in this market at reduced values. Thus the tremendous increase in 1907 and 1908; and we state, with the facts in our possession, that the orders for the summer of 1909 will more than double the importations of 1908. And why not? We don't blame the retailer. We may talk as much as we will when we are trying to sell our own goods; that is "trade license;" but he can buy the same article we manufacture abroad at 25 per cent less, delivered at his door.

It is true that the skill of the European workman in years back made his article less sightly and therefore less salable, but that difference no longer exists. They have adopted American methods and American machines, and they meet us on an equal footing, and we can not face the parallel. It is deadly, and unless we have more protection, the straw hatting industry will gradually be a relic of the past and will be crucified by the failure of the Government to give it protection against a new condition.

RELIEF DESIRED.

We desire to change the form of duty to a compound rate instead of an ad valorem rate, in order to reduce the opportunity for undervaluation, and when this desire is expressed by the manufacturer we believe the Congress should grant it.

We further desire an additional classification because of evils which have grown up in the trade, and which, if remedied, will make the tariff a more equitable one. Under the present act we are affected by three classifications:

	Per cent.
Braid in its natural state	15
Straw hats manufactured, but not trimmed	35
Straw hats trimmed	50

There has been a tremendous increase in the importation of untrimmed hats, most of them from the southern countries of Europe and South America—a class of hats commonly known as Java, milans, leghorns, and panamas. These hats are imported into the United States usually in a rough condition; that is, only the body is made, and the hat is not even shaped or blocked. We can not manufacture these hats here; they are all made by the cheapest sort of peasant labor in tropical countries. We can shape, block, and trim the hats, and this work forms quite an important item in the industry.

Under the present schedule it is possible to shape and block these hats abroad and bring them into the United States at the same rate as if the shaping and blocking had not added to the value of the hat, because this labor still leaves the hat "untrimmed." Now these hats can be shaped and blocked abroad from 40 cents to 80 cents a dozen, while the same labor expended here to block and shape these hats cost from $2.50 to $3.50 per dozen, the net result being that these hats blocked and shaped come into the country with the added value of

blocking and shaping at the same rate as the unblocked body. Of course if the duty is to remain at an ad valorem rate this blocking and shaping adds value to the hat, and the duty is correspondingly greater; but if the Congress changes the rate as desired, a new classification must be introduced.

We therefore earnestly request you to give our statement earnest consideration, call for additional information if you will, make independent investigation, we hope, and revise the present act to give us the protection we need.

We therefore ask that the present act be amended as follows:

A. Braids, plaits, laces, and willow sheets or squares composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, 15 per cent ad valorem; if bleached, dyed, colored, or stained, 20 per cent ad valorem.

B. Hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, partly manufactured but not blocked, shaped, pressed, or trimmed, 35 per cent ad valorem.

C. Hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, wholly or partly manufactured, blocked, shaped, or pressed, but not trimmed, valued at not more than $6 per dozen, $1 per dozen; valued at more than $6 and not more than $12 per dozen, $2 per dozen; valued at more than $12 and not more than $24 per dozen, $2.50 per dozen; valued at more than $24 per dozen, $3 per dozen; and in addition thereto on all the foregoing 35 per cent ad valorem.

D. Hats, bonnets, and hoods composed of straw, chip, grass, palm, leaf, willow, osier, or rattan, wholly or partly manufactured and trimmed, valued at not more than $2 per dozen, 50 cents per dozen; valued at more than $2 per dozen and not more than $4 per dozen, $1 per dozen; valued at more than $4 per dozen and not more than $7 per dozen, $2 per dozen; valued at more than $7 per dozen and not more than $12 per dozen, $4 per dozen; valued at more than $12 per dozen and not more than $18 per dozen, $6 per dozen; valued at more than $18 per dozen, $8 per dozen, and in addition thereto on all the foregoing 35 per cent ad valorem.

Mr. H. B. Vanderhoef represents the following: Bringham-Hopkins Company, Knox Hat Manufacturing Company, Blum & Koch, Montague & Gillet Company, Samuel Mundheim Company, John Zimmermann & Sons, Philadelphia and China Trading Company, M. M. Booth & Co., The Hills Company, J. S. Plummer & Co., Oliver & Co., Vanderhoef & Co., M. S. Levy & Sons, Townsend-Grace Company, M. S. Morj & Co., Isler & Guye, Dearbergh Brothers, W. J. Dixon & Co., Walser Manufacturing Company, Chas. Levy & Sons, and Geo. B. Burnett & Sons.

STATEMENT OF O. H. WASHBURN, OF 12 BROADWAY, NEW YORK CITY, N. Y., RELATIVE TO STRAW BRAIDS.

SATURDAY, *November 28, 1908.*

Mr. WASHBURN. Mr. Chairman and gentlemen of the committee, five minutes will do; and I want to direct your attention to the straw-braid paragraph, 409, about which there has already been a little discussion to-day. I wish to call attention, not so much to the rate of duty which that paragraph provides, as to the phraseology. The part of which I complain is this:

Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem.

As you are aware, the act of 1897 provided for the first time for a rate of duty upon straw braids. Prior to that they were on the free list. The act of 1897 for the first time inserted the word "wholly." That paragraph has been construed by the courts, by the circuit court of appeals at New York; and as a result of the construction which that court has placed upon that paragraph, straw braids which are sewn or woven with cotton thread (the cotton thread being used only as a binding material to hold the strands of straw together) have been held not to be braids of straw, although they are braids of straw just as much as this coat that I wear is a woolen coat, although it is lined with other material and has buttons of other material. They have, therefore, been classified as "manufactures of straw," paying exactly twice as much duty as it was the intent of Congress it should pay, to wit, 15 per cent ad valorem; and that is the rate provided in paragraph 409. They pay 30 per cent under paragraph 449.

What we ask of this committee is this—that the word "wholly" be stricken out, so that braids of this character, samples of which I pass up, the chief value of which is straw, may be classified under the straw-braid paragraph, where they really properly belong.

That is my first point.

Secondly, the next clause of the paragraph provides:

If bleached, dyed, colored, or stained, twenty per centum ad valorem.

That means "bleached or dyed in the piece," because, as was pointed out this afternoon, there are no straw braids made in this country. It is quite immaterial to my clients whether that rate of duty is retained or not. They do not care anything about that, because, as a matter of fact, these straw-braid dealers have their own bleacheries and their own dyeing plants. They do that work themselves as their orders require. But that rate of duty catches a certain class of variegated braids, such as the sample I hand up to you, some of the individual strands of which are dyed, other individual strands being unbleached. The result is that they are classified as bleached, dyed, colored, or stained, at 20 per cent ad valorem, although this paragraph was inserted to protect certain dyeing plants in this country which buy these goods in the piece.

Therefore, what I want to suggest (and I will file a brief in ample time; I am asking in the meantime only for this, and I think I have made the point clear) is this:

First, paragraph 409: "Braids, plaits, laces, and willow sheets or squares, composed of straw" (striking out the word "wholly"), "chip, grass, palm-leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, fifteen per centum ad valorem."

That is practically no change from the present act, because it simply strikes out the word "wholly."

If bleached, dyed, colored, or stained in the piece, twenty per centum ad valorem.

I will amplify that point in the brief which I am to file.

BRIEF SUBMITTED BY O. H. WASHBURN, NEW YORK CITY, RELATIVE TO CLASSIFICATION OF STRAW BRAIDS.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully invite attention to paragraph 409 of the present act, which now restricts the hat braids, plaits, and laces therein mentioned to such as are "composed wholly" of straw, chip, grass, palm leaf, etc. The courts have felt obliged to construe this provision strictly, and accordingly various straw braids stitched or woven together with a cotton thread, without which they could not be held together or held to be a merchantable article, have been excluded from the provisions of this paragraph on the ground that they are not composed wholly of straw. This ruling (Schmitz *v.* United States, 146 Fed. Rep., p. 127) has affected unfavorably the importation of certain varieties of foreign hat braids which are of peculiar design and are not produced in this country. The cotton thread which is used as binding material is necessary to keep the straws together, as otherwise they would fall asunder, and is the most inexpensive binding material that can be employed. Its cost is insignificant. It does not seem to us that it is the intent of Congress to require importers of braids of this character to pay a duty of 30 per cent ad valorem, as they are required to do at present under paragraph 449 (which is just double the duty provided for in paragraph 409) upon straw braids—merely because the straw braids that they import are stitched or woven with cotton thread. Because of this situation importers of braids of this character have been obliged to cease almost entirely importing straw braids stitched with cotton thread, and to import instead straw braids stitched with one of the vegetable fibrous materials mentioned in the paragraph in order to compete with other straw and chip hat braids which pay only a 15 per cent duty.

Your honorable committee is no doubt aware that paragraph 518 of the McKinley Act of 1890 provided for the free entry of the braids, plaits, etc., composed of straw, chip, grass, and the like, suitable for making or ornamenting hats. The same liberal provision was preserved in paragraph 417 of the act of 1894. Indeed, goods of this character were made dutiable for the first time under the present act. At the same time, the words "composed wholly" were inserted, which have had an effect not intended, as we believe, by the framers of the act. We do not desire to be understood as asking for the restoration of straw hat braids to the free list, though such a step is much to be desired, and would not conflict with any domestic industry, but we do urge upon this honorable committee that the language of the first clause of paragraph 409 be amended so as to conform more exactly to that found in paragraph 518 of the McKinley Act of 1890, by striking out the word "wholly." We would suggest the reenactment in the new tariff of paragraph 518, which was as follows:

518. Braids, plaits, laces, and similar manufactures composed of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, and hoods—

not bleached, dyed, etc. It will be observed that while the first clause of paragraph 409 is restricted to such braids, plaits, etc., as are composed wholly of straw and the like, the provision for straw hats, bonnets, and hoods contains no such restrictions, but provides for hats, bonnets, and hoods composed of straw. The result is that straw hats in chief value of straw, untrimmed, are required to pay a duty of 35 per cent ad valorem, whereas some straw braids in chief value of straw, which are used in making hats, are required under the present act to pay a duty as high as 30 per cent ad valorem, although it has been the policy of former acts to admit such braids free.

OLIVER CO.
A. ENGLE.
JOHN ZIMMERMANN CO.
T. DERGUN.
ZIMMERMANN & MARX.
J. S. PLUMMER & CO.

EXHIBIT A.

NEW YORK, *November 27, 1908.*

MESSRS. COMSTOCK & WASHBURN,
New York City.

DEAR SIRS: Referring to the conversation we had with your representative, we herewith take the liberty of calling your attention to a further irregularity in the present tariff regarding straw braids. The same reads as follows:

Braids, plaits, laces, etc., not bleached, dyed, colored, or stained, 15 per cent ad valorem; if bleached, dyed, colored, or stained, 20 per cent ad valorem.

It is clear, and in fact we know it to be a fact, that the 5 per cent extra for braid bleached, dyed, stained, etc., was put in to protect the two dyeing concerns which were in existence at the time the tariff was made, and which are practically consolidated to-day, and do almost all the bleaching and dyeing for some of the trade, which, however, amounts only to the five one-hundredths part of what is imported, inasmuch as all our largest manufacturers dye and bleach their own goods and do not need any protection. There is actually no dyed braid imported at all and very little bleached goods, not because the 5 per cent additional duty keeps the manufacturers from using foreign dyed or bleached braid, but, as pointed out above, because most of them dye their own braid, which they do just as well as any foreign dyer, and they naturally dye the braid as they need it, and could never afford to have braids dyed on the other side on account of the loss of time.

With the bleaching it is a little bit different, inasmuch as some manufacturers give to a certain braid (called Tientsin square make mottled) the preference to goods bleached on the other side over domestic bleach, which former is superior to the latter, but here, too, the bulk of the goods are bleached in this country by the manufacturers' own bleachers.

There is, consequently, no excuse for having the additional 5 per cent on imported bleached and dyed goods, inasmuch as even when

there was no duty on straw braids no manufacturer ever thought of having his goods bleached or dyed abroad, as the colors may change almost every week and he dyes and bleaches the goods as he wants them, and as he has his own dyer in his factory he will naturally get whatever he requires within twenty-four hours, and exactly in the shades he needs.

Under the present interpretation of the tariff we have not only to pay 20 per cent on bleached and dyed goods, but also on what we call "variegated" goods, which are either made of natural straw mixed with colored straw, or occasionally also of bleached straw mixed with colored straw, but such effects can never be produced by any dyer in the piece. The raw material has to be dyed and then plaited with natural or bleached straw. There is, consequently, a tax of 5 per cent on this braid which was never intended, nor could it ever benefit any dyer or bleacher. We inclose a long cutting which shows plainly enough that the raw material for these variegated braids must first be dyed, and that such effects can never be produced by dyers here, and consequently do not need any protection.

We remain, dear sirs, yours, very truly,

BRAID MANUFACTURERS WISH AN INCREASE OF DUTY ON ARTICLES MADE FROM STRAW BRAID.

NEW YORK CITY, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We recommend the insertion of the following new paragraph in Schedule N, sundries:

Trimmings, medallions, ornaments, or garnitures made of braids, or in which braid is the component material of chief value, shall pay the same rate of duty as imposed in this act on such braids, and, in addition thereto, a duty of twenty per centum ad valorem.

It is hardly necessary to point out to your committee that trimmings, medallions, ornaments, etc., made from braid require additional labor in manufacturing same.

This labor is mostly hand sewing, and is done at very low prices in the manufacturing districts of Europe. The cost of similar labor in this country is from three to five times as much as in Europe.

We therefore ask for the very moderate protection of 20 per cent ad valorem to compensate for this difference in labor, so as to enable the American manufacturer to compete.

Respectfully submitted by the Braid Manufacturers' Association of the United States.

HENRY W. SCHLOSS, *President.*

ITALIAN CHAMBER OF COMMERCE, NEW YORK CITY, ASKS REDUCTION OR REMOVAL OF STRAW BRAID AND OTHER DUTIES.

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under Schedule N, sundries, of the present tariff the Italian Chamber of Commerce in New York respectfully submits to this honorable committee the following recommendations and arguments for the reduction or removal of duties on the articles hereunto specified:

PARAGRAPH 409—STRAW AND WILLOW BRAIDS AND PLAITS FOR MAKING OR ORNAMENTING HATS AND BONNETS.

The above stated and kindred materials for the making of straw or willow and similar hats and bonnets are now subject to a duty of 15 per cent ad valorem if not bleached or dyed, and of 20 per cent if bleached or dyed. The importation of such materials for consumption in the United States during the year ending June, 1907, amounted respectively to $2,984,566 and $508,993, while their total importations, irrespective of classification and quantity destined to home consumption, amounted in the same year to $3,988,033, of which $674,374 from Italy, $1,747,703 from China, $636,628 from the United Kingdom, $444,320 from Japan, and $146,107 from France, which are the most important sources of supply for this material.

Although a manufactured product, not being, however, by itself a finished product, it has practically the character of a raw material necessary for the making of straw hats; and as no such material is, to our knowledge, manufactured in the United States and can not be produced, owing to the absence of certain factors, which is impossible to remedy with the tariff, and therefore no reason exists for protective duties, the above-stated rates should be reduced and one group, at least of these articles, viz, that of straw braids and plaits, not bleached or dyed, representing six-sevenths of the total importation, should be placed on the free list, in order that American labor may benefit to a greater extent from the manufacture in this country of the finished article.

PARAGRAPH 409—STRAW AND WILLOW HATS AND BONNETS.

These articles of wearing apparel, which are so essential to the comfort of our population during the warm summer months, pay at present at the rate of 35 per cent ad valorem if not trimmed and of 50 per cent ad valorem if trimmed. The amounts entered for home consumption in fiscal year ending June, 1907, were, respectively, of $2,436,214 and $148,870, which figures show that the finishing of the hats, the most profitable part of the business, is done in this country to the advantage of American labor. Italy alone supplied in fiscal year 1907, $870,172 of straw hats, followed by South America, with $684,305; France, with $367,261; Mexico, with $279,583.

While this chamber is not asking for any reduction of duty on the finished hats, it believes, however, that a reduction should be made

in the rate of duty on such lines as "Leghorn rough" and willow hats, representing a cheaper article than the Panamas and destined to the consumption of the masses of our population, who feel most the strain of the increased cost of living.

PRECIOUS STONES—CORAL, AND MANUFACTURES OF.

Coral, in its natural state, is exempt of duty, and this chamber recommends it should remain on the free list, as there is no coral produced in the United States and hardly any imported in such condition. The following refers to manufactures of coral, viz, coral cut and polished, but not set:

Although this article is now improperly classified under paragraph 115, Schedule B, marble and stone, and manufactures of, of the present tariff, subject to a duty of 50 per cent ad valorem, we contend it should be classified as "precious stones" under paragraph 435, subject to a duty of 10 per cent ad valorem. To this it can lay the claim of precedent.

On no other article, perhaps, has the application of duties under the present tariff been so erratic and changeable as on coral, according to the interpretation given to the law by customs collectors, which has been the cause of great prejudice to coral interests, thus confronted by the abnormal situation of never knowing exactly how they stand in such important matter as duty, and also the cause of conflict between collectors of customs and the Board of General Appraisers.

Upon the appeal of coral interests against the classification of manufactures of coral as manufactures of marble and stone, subject to the 50 per cent rate under paragraph 115, the board rendered a decision classifying them as "precious stones" under paragraph 435, and for some time they paid duty as such at the rate of 10 per cent ad valorem. For the last six months, however, they have by the collector of customs been put back to paragraph 115 and duty charged at the rate of 50 per cent ad valorem.

The injustice of classifying manufactures of coral as manufactures of marble and stone merely for the fiscal purpose of charging a higher duty is self-evident, as coral goods undergo hardly any manufacture, save a little cutting and polishing, and have essentially the character of precious stones in their use by the people. They supply a popular demand, generally among classes of less affluent means, who can not afford expensive stones and who should not be deprived of the pleasure of wearing such if they so desire. Although there are some expensive kinds of coral, this article may be qualified as essentially the "poor man's precious stone," and therefore should not be charged such exorbitant duty as 50 per cent.

Not only is no coral produced, but none is cut or manufactured in the United States. There is therefore no need of protection. Never was the consumption of cut and polished coral so notable in the United States, nor the revenue from this article so satisfactory, as when it was admitted at the rate of 10 per cent ad valorem, which encouraged consumption. A higher duty, such as the present 50 per cent rate, is simply prohibitive and also prejudicial from a revenue standpoint. A 10 per cent rate under paragraph 435, while not unfair to the coral interests, would encourage consumption and revenue.

This chamber unites with the Jewelers' Board of Trade, of Maiden lane, New York, in their respectful request to this honorable committee that coral manufactures be removed from paragraph 115 and classified as "precious stones" under paragraph 435 of the present tariff, subject to an ad valorem rate of 10 per cent.

HIDES OF CATTLE.

They come under paragraph 437 of the present tariff, subject to a duty of 15 per cent ad valorem. Why such duty was imposed in 1897 on cattle hides, after having been free of duty for twenty-five years previously, is still unexplained, and this radical departure in revenue legislation, from which not the slightest benefit has derived to the farmers, who, like all consumers of leather, have instead suffered from it by reason of the increased price of shoes and other leather goods, stands for early repeal.

The imposition of this duty has not advantaged revenue to any great extent, the Government deriving little over $2,000,000 from it, while, with a domestic hide supply too small for and about one-third less than the requirements of the domestic consumption of leather and which, unlike manufactured products, can not be increased at will, hides being as a by-product dependent upon the number of cattle slaughtered, it places limitations on the opportunities of the great tanning and leather industries of this country, which a wise economic policy should maintain instead, as wide as possible, in the interest of American labor, which would find increased employment by the unshackled development of such industries. This benefit now goes to the manufacturing countries of Europe, which, by admitting hides free of duty, are thus enabled to convert the surplus hides of other countries into articles for the export trade of the world and in competition with similar American goods.

The decreased exports of sole leather from the United States, from 45½ million pounds in fiscal year 1895 to 31½ million in fiscal year 1908, of which the duty on hides has been the cause; the absence of any benefit accruing to the farmers from such duty (cattle prices being regulated by the demand for beef for food and the higher or lower rates paid for hides having no relation to the prices paid for cattle on the hoof, hides having often been dearer when prices for cattle are cheapest), with the positive injury of the greater cost for shoe and harness leather, of which farmers are perhaps the greatest consumers; the impossibility of rendering the domestic supply of hides adequate to the requirements of the domestic consumption and exportation of leather, cattle being raised for beef and not for the hide, which is a by-product and not a factor of the price paid for cattle on the hoof; the injury derived from the duty on hides to other lines of industry by reason of the increased cost of belting; the artificial increase of value from 5 cents in 1896 to 6 cents in 1907 per pound on the hides to the sole benefit of a few packers tending to monopolize the supply; the necessity for protection to American labor by promoting such great interests as represented by the tanning and leather industries, with an annual output of goods worth about $700,000,000, an invested capital of about $400,000,000, and annual wages paid to the amount of over $100,000,000, an industry which finds such favorable conditions in this country

not only by reason of the great number of cattle produced, but also by the abundant supply of material of the best kind, such as furnished by the great oak, hemlock, and chestnut forests of the United States, for the tanning of leather; these are only some of the many arguments that could be stated in support of the repeal of the duty on hides, and the restoration on the free list of this raw material, so vital to the leather-trade expansion of the United States.

GLOVES OF KID OR OTHER LEATHER.

The present duties on this article, ranging from $1.75 to $6.15 for ladies' gloves and from $3 to $5.80 for men's gloves, are excessive, representing an increase on the original cost from about 21 to over 81 per cent, but objection is made to the present rates especially because they are not proportionate to the value of the article. For instance, ladies' unlined gloves not over 14 inches in length, costing $5.05 per dozen pairs, pay a duty of $2.50 per dozen—that is, at the rate of 49.48 per cent—while a much more expensive glove, over 14 and not over 17 inches in length, lined, costing $15.08 per dozen pairs, pays a duty of $4.75 per dozen, or at the rate of 30.78 per cent. It would be reasonable that a glove more expensive than another should pay proportionately higher duty, but this principle is not adhered to in the duties on this article, and cheaper grades of gloves pay a much higher ad valorem rate than more expensive grades, which is unjust.

Gloves are not a luxury, but a necessary article of wearing apparel, and should not be taxed such high rates. It appears, moreover, to this chamber that a better distribution and systematizing of the burden of duty on this article, so as to make the rates more equitable and proportionate to the value represented by the goods, is recommendable, both in the interest of consumers and revenue.

WORKS OF ART.

A feature of the present tariff that calls loudly for repeal is paragraph 454, imposing a duty of 20 per cent ad valorem on works of art, which has been reduced to 15 per cent in the case of works of art from countries having entered into reciprocity treaties with the United States (France, Germany, Italy, Spain, Switzerland, and Cuba).

Works of art exert a great educational influence on the people, and in a country like this, which, through its admirable educational system and institutions, can point with justifiable pride to the high standard attained in this essential element of national life and progress, it seems an irony to maintain a duty on such an important educational factor as works of art.

As the national resources of this country have been developed and the affluence of its people increased, the necessity of cultivating to a more adequate extent the artistic sentiment, of encouraging and developing the study of the fine arts and the application of arts to manufactures and practical life, is being more and more recognized.

Why should not Americans attain as high a proficiency in art as they have already achieved in other lines of endeavor? To promote this end, however, opportunities for study and cultivation of art must be brought nearer to the people and made accessible not only to the wealthy, but to all classes of our population, and this can only be stim-

ulated through a liberal policy in opening, instead of shutting, as we do at present, our doors to artistic productions from all other countries.

In all the most advanced countries of the civilized world works of art are admitted free of duty, and this country should not take an anomalous stand by maintaining a duty which serves but little purpose even from the standpoint of revenue, the Government deriving yearly but $774,409 from it.

The discrimination in favor of the production of American artists residing temporarily abroad, which is admitted free of duty, when the universal purport of art is considered, does not invalidate the plea of this chamber for the restoration of works of art to the free list.

At all events this chamber wishes to recomend an amendment to paragraph 454, viz, the suppression of that part running as follows: "But the term 'statuary,' as used in this act, shall be understood to include only such statuary as is cut, carved, or otherwise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and as is the professional production of a statuary or sculptor only."

According to the present construction of the foregoing by the collector of customs, a cast-bronze statue is not considered a work of art, but a manufacture of metal dutiable at the rate of 45 per cent ad valorem under paragraph 193. This is unjust, and the cast-bronze statue (casting being the necessary process of production), provided it is the professional production of a statuary or sculptor only, should be dutiable as a work of art.

In case works of art are not placed on the free list, this chamber desires to submit further recommendations, viz:

(*a*) That no duty should be charged on breakages, which are anything but rare, and which practically destroy the value of the work.

(*b*) That the market value of a work of art on which duty is assessed should be the price actually paid to seller at its place of origin, and not the value placed on such work by dealers on such markets as Rome, Florence, Venice, Paris, and London, which includes often heavy charges for freight, storage, and middleman's profit.

Respectfully submitted for the Italian Chamber of Commerce, in New York.

E. MARIANI, *Vice-President.*

G. R. SCHROEDER, *Secretary.*

THE R. H. COMEY COMPANY, CAMDEN, N. J., FILES SUPPLEMENTAL BRIEF RELATIVE TO STRAW AND CHIP BRAIDS.

CAMDEN, N. J., *December 3, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

HONORABLE SIR: Supplementing our memorial submitted a few days ago, we can not impress too strongly upon you the fact that the

threatened Japanese and Chinese competition, of which we spoke in our first memorial, is not fancied or imaginary, but entirely real.

We have had repeated letters from Japanese students in this country requesting permission to go through our factories, which, of course, we have been compelled to refuse.

We have also had a visit from the president of the Japanese Manufacturers' Association, who was accompanied by four young Japanese, who also wanted to go through our plant.

The Japanese have already sent over braids dyed black, and there is no doubt but what they are working with a view of taking up the proposition of dyeing and bleaching these braids before exporting them to America.

The present tariff duty, which protects us to the extent of only 5 per cent ad valorem against European competition, is entirely inadequate, and if we are compelled to face Japanese competition there is no question but that our business will be ruined.

We assume that the dyeing and bleaching of straw and chip braids, based upon the number employed in our factories, gives employment to at least 2,000 people in our country. This means bread and butter for probably 8,000 more.

The English take advantage of their low labor cost by producing results in white and colors superior to anything we can produce for the same money here.

The Italians, while their results generally are not as good as ours, are able to pay the extra duty and export dyed and bleached braids to this country at prices considerably below ours.

The fact that $509,000 of dyed and bleached goods came in from Europe last season, out of a total of about $1,800,000, or approximately one-third, we think is sufficient to show that this European competition is injurious to our business to an alarming degree, aside from threatened Japanese competition, and we hope you will give us the protection asked for in our petition first submitted.

As far as the ultimate cost of the goods to the actual consumer goes, we would state that the dyeing and bleaching cost per dozen hats will not average 50 cents per dozen. You will readily see that a small additional duty on the dyeing or bleaching cost can not possibly affect the price to the consumer of men's hats, which are retailed at anywhere from $1 to $5 each. Nor can it affect the price of ladies' hats to the consumer, as they are retailed at any price from $1 up to $10 for average quality, and the prices depend entirely on fashion or style.

The increased duty we have asked for can not possibly work any hardship upon anyone, and will certainly result in giving employment to a considerable amount of American labor, and at the same time actually result in increased revenue to the Government on account of the additional dyes and chemicals dyers and bleachers could consume, which dyes and chemicals are mostly imported and are taxed higher in proportion than the dyed and bleached straws are.

Naturally the few importers of straw and chip braids will be opposed to any advance in duty on dyed and bleached straw braid, as it will, to a certain extent, affect their profits; but, as we understand it, the Ways and Means Committee is considering the average American's pocketbook, rather than a few importers, and we trust that

you will agree with our view of the matter and grant our request to increase the duty on dyed and bleached straw and chip braids from 20 per cent to 30 per cent ad valorem.

Yours, truly,

R. H. COMEY COMPANY,
L. A. GOODWIN, *Secretary.*

SUPPLEMENTAL STATEMENT FILED BY H. B. VANDERHOEF, NEW YORK CITY, FOR MANUFACTURERS AND IMPORTERS OF STRAW BRAIDS AND HATS.

WASHINGTON, D. C., *December 12, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives:

GENTLEMEN: This memorial is presented in behalf of the straw-hat manufacturers and importers of straw braids hereinafter named, and I beg leave to submit the following statement of facts and requests, supplementing the statement heretofore made by me before your honorable committee on November 28, 1908, and the brief filed by me in conjunction with the said statement.

The statement heretofore submitted was hastily prepared, we having but a short notice that an opportunity would be given to manufacturers to appear before your committee, and since that appearance concerted action has been effected among the manufacturers of men's straw hats, ladies' straw hats, and the importers of straw braids, and the requests hereinafter submitted represent the desires of the united trade.

We are concerned with paragraph 409, Schedule N, of the act of July 24, 1897, and we desire the following specific changes in this paragraph. We quote herewith in the left-hand column the first portion of the paragraph as at present enacted, and in the right-hand column the proposed paragraph as amended with the amendments which we desire in italics.

Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem; if bleached, dyed, colored, or stained, twenty per centum ad valorem.	Braids, plaits, laces, and willow sheets or squares, *the chief component part of* which is composed of straw, chip, grass, palm leaf, willow, osier, rattan, *horse hair, cuba bark, or manila hemp,* suitable for making or ornamenting hats, bonnets, or hoods, *natural,* bleached, dyed, colored, or stained, fifteen per centum ad valorem.

In order that the committee may have a clear and intelligent conception of our argument we have prepared a number of exhibits showing substantially all of the various characters of braids suitable for ornaments or making hats and which we file herewith.

PROPOSED AMENDMENT A.

It will be observed that the first insertion in the language of the proposed amendment includes the words "the chief component part of which" and excludes the word "wholly." The purpose of this

proposed amendment has already been laid before you in a statement submitted by Mr. O. H. Washburn on November 28. We respectfully confirm all of the statements made by Mr. Washburn. This amendment is aimed at a particular class of straw braids known as Ex. Nos. 15 and 16, and if the committee will only examine these exhibits they will readily indicate that the suggestion we make is one supported by reason and logic. This character of braid is imported into this country and is made, substantially, wholly out of straw, and yet not "wholly" out of straw viewing it from a legal interpretation, because the straw embroidery is sewed to the straw braid with "cotton." Now, this "cotton" forms an infinitesimal small part of the straw braid—in fact, less than one-thousandth part of the value—and yet by reason of this cotton in the braid it has been classified under "manufactures of straw and cotton" and pays a duty of 30 per cent. The purpose of the braid, and the only purpose, is to make or ornament hats and bonnets, and it certainly should come under the same classification as other straw braid.

PROPOSED AMENDMENT B.

We propose to insert the words "horsehair," "manila hemp," and "cuba bark" in the general classification, these words not existing in the act as at present constructed. "Horsehair" braids properly belong in this classification when the braids are suitable for and are to be used for making or ornamenting hats. This class of braids (Ex. 24 and 25) is manufactured out of horsehair coming from Russia and made into the braid in Switzerland. It is knotted into threads, put on spools and made into braids, cleaned, bleached, and imported into this country.

In a decision of the United States circuit court of appeals, second district, suit 5029 (Paterson *v.* The United States), decided November 16, 1908, it was held that horsehair braids suitable for making or ornamenting hats should be properly classified under paragraph 409, and we refer your committee to this decision, and only ask that you place this character of braids in the same classification that the United States courts have determined it properly belongs.

PROPOSED AMENDMENT C.

We have inserted the words "manila hemp," and respectfully request this amendment, for the following reason: There was imported into this country prior to the passage of the Dingley Act considerable quantities of braid, suitable for making and ornamenting hats, made out of "manila hemp," and on this "manila hemp" braid we are now paying a duty of 60 per cent. This hemp comes exclusively from Manila, in the Philippine Islands, and should be classified the same as ordinary "straw" braid and "horsehair" braid. Every single inch of it is imported from foreign countries and can not be produced in this country. Prior to the passage of the Dingley Act these braids came in under the same classification as straw braids, etc., but under the construction of the act of 1897 have been classified as "manufactures of vegetable fiber," and we are paying 60 per cent duty. This is a prohibitive duty on this particular braid, and as a result thereof there has been no appreciable quantity imported since 1897.

We respectfully submit that this braid should be classified under paragraph 409, because its use, like the other classifications in this paragraph, is for the ornamenting and making of hats.

PROPOSED AMENDMENT D.

We have further inserted the words "cuba bark." This proposed amendment covers a class of braids made out of the shavings from the trunk of a tree in connection with the straw, and the braid is used and only suitable for making and ornamenting hats, and we therefore respectfully submit that this particular braid properly belongs under the classifications in paragraph 409. This character of braid has been classified by the board of appraisers as properly belonging in the paragraph 409 under the similitude clause, and we wish to have this character of braid properly classified legislatively rather than by a quasi judicial classification.

In conjunction with all of the foregoing, it will be observed that we have asked for these amendments in order to right an injustice accorded to all persons who in any way are affected by the use of these three particular characters of braids, all of which are used exclusively for the making or ornamenting of hats.

The manifest purpose of paragraph 409 was to cover all character of braids from which straw hats, bonnets, etc., were manufactured or ornamented, and it is unfair to prefer several classes of braid over other classes when consideration is given to the fact that all of these classifications are the exclusive product of foreign countries, the same as straw, chip, etc.

BLEACHED, DYED, STAINED, ETC., BRAIDS.

We desire to go firmly on record as being decidedly opposed to any increase in the duty on bleached, dyed, colored, or stained braids, as contended for by the firms of R. H. Comey & Co. and Parsons & Co. in the memorial submitted to your committee on November 28, 1908.

These bleached, dyed, colored, and stained braids now pay a duty of 20 per cent, or 5 per cent additional more than when they come in their natural state, and there is no sound reason why there should be any higher duty upon the braid, dyed, or bleached, etc., than in its natural state, notwithstanding any statements to the contrary before your committee. We go firmly upon the record as authoritatively stating that substantially all of the bleached, dyed, and stained braids which are now imported are of a character which can not be produced in the United States. Every opportunity has been given to the United States bleachers and dyers to produce this bleach, but they can not succeed in doing it, and the manufacturers and importers have been obliged to import these braids bleached from abroad. Indeed, if it were possible to obtain it in this country it would be decidedly to their advantage, as it would involve less risk.

All of the braid which comes into this country in its natural state must first be bleached or dyed before it can be manufactured into a hat, and practically all of this bleaching or dyeing not done by the manufacturers themselves is done by the two firms who ask for the increase. These two firms are actually one and the same, and these two establishments, or this one combination, in turn controls the entire bleaching industry in this country. They have established a uniform schedule of prices, which the manufacturers and

importers must pay because there are no other establishments well enough equipped to successfully do the work. If it were any protection to these two firms we should not desire that this additional 5 per cent be removed, much less oppose an increase. The bleached, colored, dyed, and stained braids which are imported are, commercially speaking, raw material in all respects similar to the braids which come into this country in their natural state.

There has been no decided increase in the importations of bleached, dyed, etc., braids, as contended for by the bleachers, and where there has been any increase in any particular year, it has been due solely to the vagaries of style and fashion increasing the demand in certain years for dyed and stained braids of a character which can not be successfully dyed or stained in this country. Indeed, the argument of the bleachers appears ridiculous to the minds of persons familiar with the sensitive changes of fashion, and it would be the height of business folly to import quantities of dyed braids and subject the importer to the risk of a change in style and fashion if the same braids could be dyed or stained in the United States. Whenever there is a possibility of obtaining the dyed or bleached article in this country, the United States bleachers invariably get the preference, even at additional cost.

We think the best answer we can give to the argument of these two bleaching establishments is that all large manufacturers of straw hats bleach and dye practically all of their own goods, and if it were possible to buy the bleached and dyed article abroad cheaper than having it bleached and dyed in this country these manufacturers would not invest a large amount of capital in these dyeing and bleaching plants, but would import the bleached and dyed braid from abroad, and in considering this argument it must not be overlooked that the braid is all imported. This class of manufacturers have no interest in this particular rate, but we are answering the argument of the bleachers solely in the interest of those manufacturers who have no bleaching plants of their own and who do not desire to be left at the mercy of this bleaching trust, which has exclusive control of this particular industry in the United States.

If this increased duty of 10 per cent desired by the bleachers is granted, the additional taxation must be borne by the consumer, for the same per cent of profit will be added to the cost of the dyed braid before the dyed braid reaches the consumer in the shape of a finished hat.

Are all the wearers of colored straw hats to be sacrificed and charged an additional price to benefit two bleaching establishments who have already "waxed fat" in an industry which they practically monopolize?

In order that the committee may have the benefit of a comparative table, we quote an example showing the cost of foreign and domestic bleached "Milans," a character of straw braided in Italy.

100,000 pieces natural Milans at raw price in Italy (36 cents per piece)	$36,000
15 per cent duty on raw braid	5,400
	41,400
Bleaching cost of R. H. Comey & Co. as per their price list of 1907–8 (5 cents per piece)	5,000
	46,400

100,000 pieces bleached Milans at bleached price (41 cents per piece—25 centimes, or 5 cents, a piece more than natural)	$41,000
20 per cent duty on bleached goods, present tariff	8,200
	49,200
100,000 pieces bleached Milans at bleached price (41 cents per piece)	41,000
30 per cent duty on bleached goods, new tariff	12,300
	53,300
Protection for dyers and bleachers at present tariff	2,800
Protection and consequent possibility of raising prices for dyers and bleachers at new tariff	6,900

It will be observed that under the present duty there is ample protection for the domestic bleacher, and if the duty is raised to 30 per cent it will be prohibitive in every sense of the word. Place our table side by side with the bleacher table and make an independent investigation. This bleached Milan and bleached 3-end chip constitute fully 75 per cent of the entire importation of all bleached braids into the United States from all countries. The bleached Milan is bleached in Italy, and the 3-end chip, although of Italian production (Carpi-Modena), has to be shipped to Luton, England, to be bleached, for the very reason that not even in Italy can they give the same satisfactory result as they do in England; and even if the duties were raised to 30 per cent the manufacturers would be compelled, on account of the superiority of the article, to use imported bleach, and this to the detriment of the consumer. The increased taxation would affect the masses of the people, as these braids in particular are used by the masses throughout the country. No bleached braids are imported from China or Japan, nor ever likely to be.

HATS BLOCKED OR SHAPED, BUT NOT TRIMMED.

We further beg leave to suggest that we withdraw the request heretofore made that there be an additional classification and marked "Classification C" in our brief heretofore submitted. We find that the character of hats set forth in that classification comes wholly from foreign countries and are finished there, except the trimming, and we do not desire the duty increased.

TRIMMED HATS.

We further respectfully submit that in the hurried haste in which our former statement was prepared, we did not convey to the committee the precise protection which we needed upon the finished hat in order to equalize the difference between the cost of production in the United States and the cost of production in Europe. Our statement was complete enough in indicating the difference in the cost of materials and the cost of labor, etc., and we therefore will add nothing further, except to suggest the rate of duty which we deem necessary to equalize the difference in the cost of production and place us upon an equal footing with the foreign manufacturer. We can not lay too much stress upon this finished product, and again urge you to please give serious consideration to the facts we have heretofore stated. We lay before you actual facts, not contemplated facts or speculative theories.

We therefore ask the present act be amended in the following form, in so far as it applies to our industries:

Braids, plaits, laces, willow sheets and squares, the chief component part of which is composed of straw, chip, grass, palm leaf, willow sheets, horsehair, manila hemp, cuba bark, or rattan suitable for making or ornamenting hats, bonnets, and hoods, natural, bleached, dyed, colored, or stained, 15 per cent ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow sheets, osier, or rattan, whether wholly or partly manufactured, but not trimmed, 35 per cent ad valorem; if trimmed and valued at not more than $1 per dozen, 50 cents per dozen; valued at more than $1 per dozen and not more than $2 per dozen, $1 per dozen; valued at more than $2 per dozen and not more than $3 per dozen, $1.50 per dozen; valued at more than $3 per dozen and not more than $4 per dozen, $2 per dozen; valued at more than $4 per dozen and not more than $6 per dozen, $3 per dozen; valued at more than $6 per dozen and not more than $8 per dozen, $4 per dozen; valued at more than $8 per dozen and not more than $10 per dozen, $5 per dozen; valued at more than $10 per dozen and not more than $13 per dozen, $6 per dozen; valued at more than $13 per dozen and not more than $15 per dozen, $7 per dozen; valued at more than $15 per dozen and not more than $18 per dozen, $8 per dozen; valued at more than $18 per dozen and not more than $21 per dozen, $9 per dozen; valued at more than $21 per dozen, $10 per dozen and in addition thereto 35 per centum ad valorem.

Respectfully submitted.

H. B. VANDERHOEF.

Representing the following: Brigham, Hopkins Company, M. S. Levy & Sons, Townsend, Grace Company, Montague & Gillet Company, Baltimore, Md.; Vanderhoef & Co., New York City, Norwalk, Conn., Milford, Conn., Wrentham, Mass.; Blum & Koch, Samuel Mundheim Company, William J. Dixon & Co., Charles Levy's Sons, New York City; George B. Burnett & Son, New York City, Amherst, Mass.; Tenney, Hills & Hall, New York City; Heimann & Lichten, New York City, Monson, Mass.; William Knowlton & Sons, New York City, Upton, Mass.; M. S. Mork & Co., New York City, Newark, N. J.; Searle, Dailey & Co., New York City, Medfield, Mass.; The Knox Hat Manufacturing Company, Brooklyn, N. Y.; The Hills Company, Amherst, Mass.; R. S. Tompkins Company, Fishkill, N. Y.; William Carroll & Co., New York City, Fishkill, N. Y.; Carroll, Hixon, Jones Company, Milford, Mass.; Westboro Hat Company, Westboro, Mass.; Hart & Kirtland, New York City; Williamson & Sleeper, New York City, Boston, Mass.; M. M. Booth & Co., Petersburg, Va.; Slocum Straw Works, National Straw Works, Milwaukee, Wis.; E. Eiger & Bros., Leyser, Green Company, Chicago, Ills.; Max Mindheim, New York City; Hirsh & Guinzberg, Medway, Mass.; Isler & Guye, Dearbergh Bros., C. Schmitz & Co., J. S. Plummer & Co., Olivier & Co., Carlowitz & Co., John Zimmermann Company, John Donat & Co., New York City; Philadelphia and China Trading Company, New York City, Philadelphia, Pa.

AMERICAN DYERS AND BLEACHERS OF STRAW AND CHIP BRAIDS ASK FOR AN INCREASE OF DUTY.

WASHINGTON, D. C., *December 18, 1908.*

WAYS AND MEANS COMMITTEE,
House of Representatives.

GENTLEMEN: We, the undersigned dyers and bleachers of America, desire to present for your consideration our views on the necessity for a higher duty on dyed and bleached straw and chip braids used in the manufacture of hats.

The paragraph to which we would call your attention is 409, under Schedule N of the present law, which reads as follows:

409. Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem; if bleached, dyed, colored, or stained, twenty per centum ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

We ask that the words "twenty per centum" be striken out and "thirty per centum" substituted. In other words, that the duty on dyed and bleached straw and chip braids shall be increased from 20 per cent ad valorem to 30 per cent ad valorem.

We have no objection to the duty of 15 per cent ad valorem on the natural braids, as we presume this is levied for the purpose of revenue, and we have no interest in the actual value of the merchandise we handle in any event.

We claim, however, that there should be a greater difference than 5 per cent additional on bleached, dyed, colored, or stained braids.

The custom-house records show that last year $509,000 out of $1,800,000, or nearly one-third of the braids imported from Europe, were either dyed or bleached.

Any possible loss in revenue caused by the additional duty asked for would be more than offset by the increased duty on chemicals and dyestuffs that would be used if we had this work to handle in this country.

Dyers in Italy are paid on an average of 40 to 50 cents per day, while our labor cost averages $2 per day. The chemicals and dyestuffs which we use are dutiable at from 25 to 35 per cent. This, together with the increased cost of labor in this country, makes it impossible for us to compete with Europe when we have a protection of only 5 per cent.

We ask for a protection to the extent of the difference in the cost of production at home and abroad.

All we want is an opportunity to do work on equal terms with Europe.

There are 30 manufacturers who maintain dyers and bleachers in their own plants, and in addition there are 11 job dyehouses and bleacheries in this country. While some of these manufacturers desire no distinction made between the duty on dyed and raw straw braids, we feel that our industry is certainly entitled to as much protection as dyers and bleachers of textile goods.

We would call your attention also to the fact that the Japanese are sending over braids composed partly of natural straw and partly of dyed straw, woven together. These braids are used in this country in the same condition as that in which they arrive, and are to all intents and purposes dyed braids, and should therefore come under the dyed and bleached rate for government revenue rather than for protection.

These braids are sold here at practically the same prices as raw braids, thus showing that in Japan the cost of dyeing is practically nothing as compared to ours.

We fear greatly that within the next few years the Japanese will take up the dyeing and bleaching of braids and export them here, in which case our industry will be entirely ruined.

The duty asked for, therefore, is not only a protection against European labor but, further, will act to discourage the Japanese and Chinese from embarking in this industry to the detriment of the American labor.

Hoping you will give this petition your favorable consideration and recommend the advance in duty as we have requested, we remain,

Very respectfully,

Wm. Randall & Sons (Incorporated), F. H. Randall, Secretary, 112 Raymond street, Brooklyn, N. Y.; Parsons Dyeing and Cleaning Company, Nathan G. Parsons, President, 194 Huntington street, Brooklyn, N. Y.; Stock & Co., 8–12 Jones street, New York City; James J. McCool, Mansfield, Mass.; Wm. E. Murphy, Wrentham, Mass.; E. A. Norton, Bradford, Mass.; Emmons Brothers Company, Haverhill, Mass.; Daniel H. Young, Monson, Mass.; J. S. Overhiser, Amherst, Mass.; Lewis-Brown & Co., 252 Moffatt street, Brooklyn, N. Y.; Young Brothers, Foxboro, Mass.; E. A. Young, Franklin, Mass.; Joseph Norman, Norman Douglass, Medway, Mass.; Thomas Caton, Foxboro, Mass.; George S. Thompson, 110 Utica street, Boston, Mass.; William C. Young, Westboro, Mass.

THE BRAID MANUFACTURERS' ASSOCIATION, NEW YORK CITY, SUBMITS SUPPLEMENTAL STATEMENT RELATIVE TO STRAW BRAIDS AND HATS.

682 BROADWAY,
New York City, January 27, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We have noticed in the print of the "Tariff Hearings," dated Wednesday, December 30, 1908, two briefs requesting various amendments to paragraph 409.

The first brief is from the Millinery Jobbing Association of the United States, and the second brief is from the manufacturers and importers of straw braids and straw hats.

In the first of the above briefs their second request is to have inserted, immediately preceding paragraph 409, a new paragraph, to read as follows:

Braids, plaits, laces, and plateaux, composed wholly or in chief value of flax, cotton, hemp, ramie, or other vegetable fiber suitable for making or ornamenting hats, bonnets, or hoods, 35 per centum ad valorem.

We earnestly oppose the insertion of this paragraph, as the articles therein mentioned are manufactured by us in this country, and are provided for elsewhere in the existing tariff (paragraph 339) at a duty of 60 per cent ad valorem, which, as we have shown in our other briefs, is absolutely essential to enable us to compete with the foreign manufacturers of these articles. Even at the existing duty of 60 per cent large quantities of these goods are imported, and the millinery jobbers, in requesting the insertion of this paragraph, seek indirectly to nullify the duty provided for these articles in another part of the act and to thereby reduce the duty to such an extent as to entirely kill the domestic manufacture of this class of braids. We therefore respectfully call this matter to your attention, with the earnest request that no such paragraph shall be inserted.

The fifth request in their brief is to amend paragraph 409 by inserting after "wholly" the words "or in chief value." The effect of this addition would be to largely increase the class of goods which would come in at the low rate of 15 per cent ad valorem, bringing in at that rate many articles which now pay 60 per cent ad valorem and which are at present manufactured or come in competition with goods manufactured by domestic manufacturers.

We therefore request that these words shall not be added to paragraph 409.

In the second of the briefs above mentioned, submitted by the manufacturers and importers of straw braids and hats, they request the striking out in paragraph 409 of the following words, "composed wholly of," and inserting instead the words, "the chief component part of which is composed of."

The result of this change would be that any of the articles mentioned of which the principal component was straw, chip, etc. (irrespective of whether this principal component constituted the chief value or not) would come in at the low rate of 15 per cent ad valorem. The component of chief value might be cotton or silk, according to which they are assessed at present at 60 per cent ad valorem. This change would therefore nullify other sections of the act covering these braids, etc.

We also ask that the other words which they wish inserted in the paragraph 409, namely, "horsehair, cuba bark, or manila hemp," be not inserted, as they would result in bringing in at the low rate of 15 per cent ad valorem braids which come in competition with those now made by the United States manufacturers, through making the rate so low that we could not compete therewith.

We desire, furthermore, to respectfully call the attention of the committee to the fact that at the time of the enactment of the present tariff act most of the braids covered by paragraph 409 were comparatively plain in structure and were principally made by hand. Since that time:

First.—Machinery has been invented for the manufacture of a large number of styles of these braids.

Second.—Many patterns of fancy braids which are used for trimming or ornamenting hats are imported at the low rate provided in this paragraph.

On account of the invention of the machinery on which these braids can be manufactured, many of these patterns could now be manufactured in this country in competition with the foreign braids, provided the rate of duty was assessed at the same rate as is assessed on braids made of other materials (60 per cent ad valorem).

We submit these facts to the attention of your committee for such action as may seem desirable under the circumstances.

Respectfully submitted.

BRAID MANUFACTURERS' ASSOCIATION,
Per HENRY W. SCHLOSS,
A. S. WAITZFELDER,
FRED WIESBADER,
Committee.

SUPPLEMENTAL STATEMENT OF DYERS AND BLEACHERS OF STRAW BRAIDS IN REPLY TO THE ASSOCIATION OF MANUFACTURERS AND IMPORTERS.

CAMDEN, N. J., *January 28, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This memorial is presented in behalf of the straw braid dyers and bleachers, who beg leave to submit the following statement of facts and requests, supplementing and substantiating the statements heretofore made before your honorable committee on November 28, 1908, and December 17, 1908, since the filing of which the Association of Manufacturers and Importers of Straw Braids and Hats have through their executive committee submitted supplementary statements set forth in the proceeds of Wednesday, December 30, which, if not untrue, are at least misleading and which we desire to refute as follows:

They say:

"There is no sound reason why there should be any higher duty on the braid dyed or bleached than in its natural state."

We beg to state:

There are many reasons why we should be protected. One sound reason is because we employ American labor and pay duty on dyes and chemicals, which enter into the bleaching cost to the extent of 50 per cent.

They state:

"We go firmly on record as authoritatively stating that substantially all the bleached, dyed, and stained braids, which are now imported, are of a character which can not be produced in the United States."

In answer to this we beg to submit:

As dyers of all kinds of straw braid, for both ladies' and men's hats, jobbers and retail milliners, that we are better authority on this question than the framers of the above statement, who are not familiar with the jobbing and millinery side of the business, which consumes the greater portion of all imported dyed and bleached braid, and we beg to state that we have demonstrated, and stand ready to

prove, our ability to equal any foreign result, either bleached or dyed, with the single exception of white 3-end chip, upon which we obtain a result unexcelled, except by the art of one man in England, whose low price, and our lack of protection, leaves no incentive for American effort.

In order that your committee may have the benefit of a comparative table, we give an example showing the cost of foreign and domestic bleach on 3-end chip:

1,000,000 pieces natural 3-end chip, at 10 cents	$100,000
15 per cent duty on natural	15,000
	115,000
To produce equal result, bleaching cost in United States, at $0.05 per piece	50,000
	165,000
1,000,000 pieces foreign bleached, at 12½ cents	$125,000
20 per cent present duty (15 per cent on raw, 5 per cent if bleached)	25,000
	150,000
1,000,000 bleached in England, at $0.02½ more than natural, $0.12½	$125,000
30 per cent duty asked for (15 per cent on raw, 15 per cent extra if bleached)	37,500
	162,500

They state:

"Practically all of this bleaching or dyeing not done by the manufacturers themselves is done by the two firms who ask for the increase."

In answer we beg to refer you to the brief submitted by the American Dyers and Bleachers of Straw and Chip Braids, printed under Tariff Hearings, Saturday, December 26, 1908, the signatures to which only partially represent people engaged in this industry.

They state:

"These two firms in turn control the entire bleaching industry in this country."

We beg to state:

These two firms are in direct competition with, and obtain a large share of their work from, houses whose signatures appear on this manufacturers and importers' statement, 21 of whom have their own dyehouses and bleacheries, while the balance (9) patronize the job dyers and bleachers, and the others are importers, some of whom are branches representing European houses.

There are many job dyers and bleachers who compete strenuously for the business in this country.

They state:

"The bleached, colored, dyed, and stained braids which are imported are, commercially speaking, raw material in all respects similar to the braids which come into this country in their natural state."

We beg to state:

Dyed braids can no more be considered as raw material than dyed or bleached cotton, silk or wool are raw material to textile manufacturers.

They state:

"It would be the height of business folly to import quantities of dyed braid and subject the importer to the risk of a change in style and fashion if the same braids could be dyed or stained in the United States."

We beg to state:

There is an immense quantity of Italian fancy patterns which can be dyed just as satisfactorily in America, but they are dyed in staple colors, at very low prices, abroad. These braids are used principally in ladies' hand-made hats, which the signers of the brief referred to do not handle and with which they are not at all familiar.

They state:

"We are answering the argument of the bleachers solely in the interest of those manufacturers who have no bleaching plants of their own and who do not desire to be left at the mercy of this bleaching trust, which has exclusive control of this particular industry in the United States."

We beg to state:

It is plainly evident that their brief is submitted solely in the interest of certain importers and a few of the larger manufacturers who, maintaining their own dyeing plants, consider that job dyers are responsible for the smaller manufacturers' continuance in business, and who otherwise would desire protection for the dyeing branch of their own industry.

We can state authoritatively that not less than nine out of every ten manufacturers prefer that our industry should be maintained, rather than that they be left at the mercy of foreign importation or be obliged to maintain their own dye and bleach houses, which even the larger manufacturers would not do except for convenience, a large percentage of them being isolated in country towns.

Outside of our interest held in Parsons Brothers (Incorporated) there is no "understanding" whatever in the straw job dyeing and bleaching business of this country. Competition is keen and fully developed.

They state:

"The additional taxation must be borne by the consumer."

We beg to state:

Men's Milan hats retail from $3 up.

Ladies' Milan hats are much higher.

Fifteen per cent duty on 20 pieces, which make a dozen hats, at 35 cents per piece equal $1.08, or 9 cents a hat, which is the total protection asked for. This would never affect the retail price of the goods.

They give on page 6626 a comparative table showing the cost of foreign and domestic bleached Milan, which does not represent true conditions.

We beg to say that the 5 cents per piece mentioned by them as the United States bleaching price is for a very ordinary result, and the 5 cents does not include a 50 per cent additional cost in the United States for reeling, while bleaching and reeling are both included in the 5 cents charged in Italy. (See comparative table following.)

Besides, this braid is largely collected in Italy by bleachers, and unless our price is considerably less than theirs Italy will continue to hold this trade.

We beg to present a comparative table, showing the cost of foreign and domestic bleached Milans:

100,000 pieces natural Milan at raw price, Italy, $0.36	$36,000
15 per cent duty on raw braid	5,400
	41,400
Highest grade bleaching cost to equal Italian, $0.09	9,000
Reeling in rows, bleaching cost to equal Italian, $0.02½	2,500
	52,900
100,000 pieces bleached at bleached price, Italy, $0.05	41,000
100,000 pieces bleached and reeled in Italy, 15 per cent on raw, 15 per cent extra bleached, equaling 30 per cent asked for	12,300
	53,300

Milan braid represents a class of goods that pays the highest duty. The importation of such braid is insignificant in comparison to the total.

Cheaper braids, used by the ordinary consumer, would pay an insignificant duty in comparison.

For instance, 3-end chip, which is quoted in the brief to which we refer, would, under the increased duty asked for, cost only one and a fraction cent per piece more, meaning only an additional cost of 4 to 5 cents per hat.

They state:

"Two bleaching establishments have already 'waxed fat' in an industry which they practically monopolize."

We beg to state:

The second largest straw job dyeing and bleaching company in this country, with an investment in plant and equipment of $120,000, went into bankruptcy last year.

They are now reorganized and want a chance to live by getting a greater volume of work.

They state:

"No bleached braids are imported from China or Japan."

We beg to state:

Dyed braids are imported from Japan, and there is no reason why they should not follow with bleached braids later; in which event the protection asked for is inadequate.

Respectfully submitted.

R. H. COMEY COMPANY.

SUPPLEMENTAL BRIEF OF THE LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION RELATIVE TO STRAW BRAIDS.

31 UNION SQUARE, WEST,
New York, January 29, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the print of the "Tariff Hearings," under date of Wednesday, December 30, 1908, we notice a brief from the Millinery

Jobbing Association of the United States in which they request the insertion of a new paragraph, to immediately precede paragraph No. 409, said new paragraph to read as follows:

Braids, plaits, laces and plateaux, composed wholly or in chief value of flax, cotton, hemp, ramie or other vegetable fiber, suitable for making or ornamenting hats, bonnets, or hoods, thirty-five per centum ad valorem.

Our association includes a large number of manufacturers of embroideries, including laces and embroidered plateaux, composed wholly or in chief value of cotton, flax, or other vegetable fiber, and as many of these goods are suitable for making or ornamenting hats, the adoption of the above paragraph would enable the importation of these articles at the rate of 35 per cent ad valorem instead of at the rate provided for them in Schedule J, paragraph No. 339 (which is at present 60 per cent).

It seems to us, in view of this brief having been submitted by an association of millinery importers, who have imported quantities of these goods and are thoroughly conversant with the tariff regarding them, that their request for the insertion of a paragraph which would nullify the duty assessed upon these goods in another portion of this act, and thereby enable their importation at a lower rate than intended for them, should lead your committee to scrupulously examine all requests emanating from such a source.

In this connection we also earnestly oppose any broadening of paragraph No. 339, as requested by them, by inserting after the word "wholly" the words "or in chief value."

We have always considered the low rate of 15 per cent ad valorem specified for goods enumerated in paragraph 409 as dangerous, through affording a loophole for importing at this rate goods which were intended to be assessed at a higher rate in other parts of the act.

We see no reason why this rate should not be considerably increased, as it would thereby foster the manufacture in this country of certain quantities of the articles therein mentioned and result in obtaining considerable more revenue for the Government on those which would continue to be imported.

Respectfully submitted.

LACE AND EMBROIDERY MANUFACTURERS' ASSOCIATION OF THE UNITED STATES,
Per A. H. KURSHEEDT, *President.*

THE R. H. COMEY COMPANY, CAMDEN, N. J., SUBMITS ADDITIONAL STATEMENT IN ADVOCACY OF INCREASED DUTIES ON DYED AND BLEACHED STRAW AND CHIP BRAID.

CAMDEN, N. J., *February 13, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Supplementing our memorials of November 28, 1908, "Tariff Hearings," and December 17, 1908, and also our memorial of January 28, 1909, relative to a higher protective tariff on dyed and bleached straw and chip braid, paragraph 409, Schedule N, we beg leave to submit the following statement.

We inclose samples of Japanese dyed Bedford chip, which comes in 60-yard pieces, and which is now being sold in the American market. This braid sells at 22½ cents per 60-yard piece in the natural, while the Japanese dyed, as per inclosed sample, sells at 25 cents per piece, or only 2½ cents per piece additional over the natural.

We are unable with American labor and 35 per cent duty on dyes and chemicals to do the dyeing on these goods for less than 9 cents per piece, so you will understand our fear of Japanese competition and our need of the protection asked for on dyed and bleached braids.

Please note comparative table showing cost of this braid if imported natural and dyed in United States and also if imported already dyed from Japan.

If imported natural and dyed in United States:

1,000,000 pieces natural Bedford cord, at 12 cents	$120,000
15 per cent duty on natural	18,000
	138,000
To produce equal result, dyeing cost in United States at 9 cents per piece	90,000
	228,000

If imported dyed from Japan at present duty of 20 per cent on dyed:

1,000,000 pieces natural, at 12 cents Cost of Japan dyeing, at 2½ cents	$145,000
20 per cent duty on dyed	29,000
	174,000

If imported dyed from Japan at 30 per cent duty asked for on dyed:

1,000,000 pieces natural, at 12 cents Cost of Japan dyeing, at 2½ cents	$145,000
30 per cent duty asked for on dyed	43,500
	188,500

Respectfully submitted.

R. H. COMEY COMPANY,
R. H. COMEY, *President.*

BRUSHES AND BRISTLES.

[Paragraphs 410 and 411.]

THE A. H. SONN BRUSH COMPANY, OF TROY, N. Y., SUGGESTS NEW CLASSIFICATION FOR BRUSHES AND BRISTLES.

TROY, N. Y., *November 24, 1908.*

Hon. SERENO E. PAYNE,
Washington, D. C.

HONORABLE SIR: We are interested in Schedule N, paragraph 410 on brushes, and 411 on bristles, and beg to submit the following for your information and consideration, praying that the tariff may be changed as set forth herewith:

Paragraph 410 of old law reads as follows: "Brushes, brooms, and feather dusters, of all kinds, and hair pencils in quills or otherwise, forty per centum ad valorem."

It is our petition that this paragraph be changed to read as follows: "Brushes of all kinds, sixty-five per centum ad valorem."

Foreign brushes imported under paragraph 410 on which the duty is now 40 per cent ad valorem.

July 1, 1897, to July 1, 1898	$745,267
July 1, 1898, to July 1, 1899	890,624
July 1, 1899, to July 1, 1900	977,487
July 1, 1900, to July 1, 1901	1,142,234
July 1, 1901, to July 1, 1902	1,151,016
July 1, 1902, to July 1, 1903	1,245,567
July 1, 1903, to July 1, 1904	1,372,227
July 1, 1904, to July 1, 1905	1,306,446
July 1, 1905, to July 1, 1906	1,357,114
July 1, 1906, to July 1, 1907	1,586,556
July 1, 1907, to July 1, 1908	1,648,310

Reason for desiring a higher duty on foreign brushes. In foreign countries labor averages as follows:

Males	per day	$0.50
Females	do	.15
Children	do	.05

Against average wages we have to pay:

Males	per day	$2.50
Females	do	2.00
Boys	do	1.00

The larger percentage of labor is composed of females and boys. With the present low tariff of 40 per cent ad valorem, we can not make brushes and put them on the market to compete with the foreign products, as our higher cost of labor and higher expenses make our brushes cost more to produce.

Paragraph 411 of old law reads as follows: "Bristles sorted, bunched or prepared, seven and one-half cents per pound."

It is our petition that this paragraph 411 be changed to read as follows: "Bristles sorted, bunched or prepared, on free list."

Bristles of all kinds imported under paragraph 411, on which we pay a specific duty of 7½ cents per pound.

	Total.	Value.	Chinese bristles.	Value of Chinese bristles.
	Pounds.		*Pounds.*	
July 1, 1897, to July 1, 1898	1,533,887	$1,249,119	264,356	$122,244
July 1, 1898, to July 1, 1899	1,835,156	1,458,252	388,982	170,338
July 1, 1899, to July 1, 1900	2,526,805	2,152,897	515,368	282,377
July 1, 1900, to July 1, 1901	1,684,575	1,730,197	233,210	126,840
July 1, 1901, to July 1, 1902	2,013,109	2,047,331	389,819	209,899
July 1, 1902, to July 1, 1903	3,044,045	2,654,604	794,340	408,116
July 1, 1903, to July 1, 1904	2,576,615	2,641,535	921,269	474,904
July 1, 1904, to July 1, 1905	2,461,464	2,366,444	825,278	271,710
July 1, 1905, to July 1, 1906	2,728,114	2,686,357	890,741	478,140
July 1, 1906, to July 1, 1907	3,433,941	3,256,552	1,159,487	657,551

Statistics show that July 1, 1896, to July 1, 1897, only 108,335 pounds of Chinese bristles were imported. Note the proportion of Chinese bristles in pounds to the total number of pounds imported.

A normal assortment consists of 66 cases of 110 pounds each, as follows: Twenty-three cases 2½ inches, 7 cases 2¾ inches, 8 cases 3 inches, 7 cases 3¼ inches, 5 cases 3½ inches, 4 cases 3¾ inches, 3 cases 4 inches, 2 cases 4¼ inches, 2 cases 4½ inches, 1 case 4¾ inches, 4 cases 5 to 6 inches.

There are enough separate cases of 2½ inches imported to about even up the 66-case assortment, making the startling total of 36 per cent of Chinese bristles used in the United States of 2½-inch length. The average price of this size in the United States has been approximately 27 cents per pound. Deducting the duty, transportation, and insurance charges, and a reasonable profit to the bristle importer, it is fair to assume that the price in China and Japan on 2½ inches has averaged not over 16 cents per pound. This specific duty now imposed, 7½ cents per pound, is equivalent to 48 per cent on 2½ inches, the most used size.

Reasons: Bristles are not a product of the United States, and therefore would not affect a producer in this country, but would be a great help to the manufacturers in the United States, as it would allow them to purchase bristles, which is the next largest expense, for a lower price, and taken in connection with an advance of duty on foreign brushes, would put them on a more equal basis with foreign manufacturers.

At the present rate of duty on brushes and duty on bristles the manufacturers in this country can not compete with the foreign-made goods.

Trusting you will consider this matter carefully, and praying that our petition will be granted, we remain,

Very truly, yours,

A. L. SONN BRUSH CO.

LANSINGBURG, N. Y., BRUSH MANUFACTURERS ASK AN INCREASE OF DUTY ON TOILET BRUSHES.

LANSINGBURG, N. Y., *November 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned manufacturers of hair, cloth, hat, and other toilet brushes in this great brush center for these kinds, which constitute perhaps 90 per cent of brushes imported, though but perhaps 25 per cent of brushes made in this country, would respectfully petition that an adequate rate of duty be placed on these and, if necessary, other kinds of brushes.

Of late years the Japanese, with their skilled but incredibly low-paid labor, have been and are beginning to flood our country with hair, cloth, tooth, and other toilet brushes, and at a price far below the mere cost of manufacturing in this country. To illustrate, we with this mail you a Japanese nailbrush marked "from E. & C. Wood Co., Lansingburg, Troy, N. Y.," which was sold by a New York importer to an Albany dealer for scant 7 cents each, which no one in this country can produce for 12 cents each, and in this vast country not one now ventures to make brushes in the costly manner this brush is made.

Not one person in the United States now makes the ordinary bone-handle toothbrushes, though years ago such were made at this great brush center and elsewhere.

It is true a few peculiar, patented toothbrushes are made and sold at four times the price of the Japanese article.

Unless this inundation is stayed the bulk of these kinds of brushes and perhaps some others are to be furnished from Japan, which looms up as the destroyer of some of our industries. Apparently exclusion of some of the products of Mongolian labor, as well as such labor itself as now, would meet the emergency.

More or less industries rely on your committee to devise adequate measures of reasonable protection against this yellow peril.

Our member, Hon. W. H. Draper, is of course in favor of all interests hereabouts.

Below are rates that so far as we can learn are necessary to enable any one in this country to compete with the Japanese:

Hair, cloth, hat, bath, complexion, flesh, nail, and bonnet brushes, 80 per cent ad valorem.

E. & C. Wood Co., C. Wood, president; Monarch Brush Co., by M. M. Wiener, vice-president; O. D. Ennin's Sons; Wm. J. O. Bevin Brush Co.; Empire Brush Co.; The John Morrison Brush Co.; Drack Bros.; A. L. Sonn Brush Co.; Greenburg & Morse.

A. & E. BURTON COMPANY, OF BOSTON, THINK THERE IS NEED OF AN INCREASE IN THE DUTY ON BRUSHES.

73 AND 75 PEARL STREET,
Boston, November 27, 1908.

To Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: As brush manufacturers, we would like to give our opinion as to the wants of the trade.

The duty is now 40 per cent ad valorem, and should be increased to properly protect labor. In the last ten years at the present duty of 40 per cent the importations of brushes have more than doubled.

A large proportion of the brushes made in this country are hand labor, and in our factory 45 per cent of the whole cost of the brushes is labor, 40 per cent bristles, and 15 per cent other manufactures. This percentage varies in different factories according to the goods they make.

Our labor averages to earn, men, $1.75 per day; women, 70 cents per day, where the average pay on these same goods manufactured in Japan is, males, 50 cents per day; females, 15 cents per day, and children, 5 cents per day; consequently a duty of 60 per cent will not any more than protect our labor, and we think the duty should be 60 per cent.

The duty is now 7½ cents per pound. As there are practically no bristles raised in this country at this time, as hogs naturally lose their bristles when domesticated, we think all bristles, sorted, bunched, or prepared, should come in free.

We remain, yours, respectfully,

A. & E. BURTON CO.,
F. H. CARTER, *Treasurer.*

THE GRAND RAPIDS (MICH.) BRUSH COMPANY WISHES FREE BRISTLES AND AN INCREASE OF DUTY ON BRUSHES.

GRAND RAPIDS, MICH., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to Schedule N, paragraphs 410 and 411, which relate to the duty on brushes and bristles, we desire to call the attention of your honorable committee to some facts and figures in connection with the manufacturing of brushes in the United States and in foreign countries. In doing this we are speaking from our own standpoint as manufacturers of toilet brushes and kindred lines (except toothbrushes), but not as manufacturers of paint brushes or artists' brushes, which is an entirely different line of our industry; and we hope to convince you that the present tariff on brushes is entirely inadequate, and not high enough to protect the interests of the laboring classes employed in our industry in the United States. The people employed in this industry are of necessity possessed of more than the average intelligence, because of the care and attention to detail required in the proper performance of their duties, therefore they are entitled to a good average wage, and we claim that 40 per cent ad valorem does not cover the difference in the cost of labor which exists between this country and the foreign countries who manufacture brushes and sell them in the United States. The following average wages paid in the brush industry of the different countries will clearly show this:

	Per day.
United States	$1.55
England	.90
France	.80
Germany (free labor)	.60
Germany (prison labor)	.20 to .30
Japan	.20

The United States consul at Tokyo states that employees in Japan brush factories are paid as follows:

	Per day.
Males	$0.50
Females	.15
Children	.05

Average for the working force of a normal factory, 20 cents per day. This is on a basis of two men, three women, and three children.

By carefully figuring our costs we find that in the hairbrush line 60 per cent of the total cost in this country is for labor, and taking two concrete examples as follows: A hairbrush which costs us, for material, $0.95, and for labor, $1.40; total, $2.35; we sell at $3 per dozen. A Japanese manufacturer makes this brush at a cost of, for material, $0.85, for labor, $0.25; total, $1.10. In billing this to New York to his agent he would not, of course, be justified in billing it at cost, but by adding a good, fair factory profit he can bill it at $1.35, on which he pays 40 per cent duty, or $0.54; total, $1.89; and this represents the cost of the brush to the Japanese manufacturer's agent in New York. This example shows you that it would take 76 per cent on the price at which the Japanese manufacturer would bill his goods into New York port to make the cost to the New York agent equal ours, or $2.35.

A German manufacturer will make a brush at a cost of, for material, $0.85; for labor, $0.56; total, $1.41. This he could bill to his New York agent at $1.70, and have a profit of 20 per cent for his factory. He pays 40 per cent duty on $1.70, or 68 cents. This makes the brush cost his New York agent $2.38, and this applies to German free labor, but the German prison labor will figure just about the same as Japanese labor.

Another example is a hairbrush which costs, for material, $4.81; for labor, $7.09; total, $11.90; and which we sell at $16 per dozen. The Japanese manufacturer can build it at a cost of, for material, $4.81; for labor, $1.19; total, $6. He invoices it to his New York agent at a profit of 33⅓ per cent, or $8 per dozen, on which he pays $3.20 duty, making a cost to his New York agent of $11.20. This enables him to sell the brush at $15 per dozen, or $1 under us, after the manufacturer has already made a profit of $2 per dozen, or 33⅓ per cent at home.

In this instance it would take a duty of 50 per cent on $8 per dozen, which we have supposed is the price the manufacturer would bill the goods into New York at, to his agent, to equal our cost. In this connection we might say that there is nothing to hinder either of these parties from invoicing the goods to their New York agents at factory cost, in which event it would take even larger percentages than 50 and 76 to cover the difference in these two specific cases.

If Japanese manufacturers sell direct to the American jobber, they could sell the cheaper brush at $2, and pay 40 per cent duty, or 80 cents, making it cost the merchant $2.80, as against $3, which we must get. In the case of the better brush he could sell it direct to the merchant at $9 per dozen, and the merchant pays $3.60 duty, making it cost him $12.60 for the same brush for which we must charge him $16. This example shows you that this brush should have been assessed a duty of a fraction less than 78 per cent, making the cost to the jobber in this country equal to our selling price, and that permits the Japanese manufacturer to make a profit of 50 per cent on his cost, while we make a profit of only 32 per cent on our cost with a larger investment than the Japanese manufacturer makes.

The same brush made in France or England and paying a duty of 40 per cent would be very nearly on an equal basis with United States manufacturers' prices, and if made in Germany would require about 45 or 50 per cent to equal our cost.

The two examples given above have shown you the relative difference between the cost of a fairly cheap brush and a good-priced one and demonstrates our proposition.

In figuring the petter-priced one we have allowed the Japanese manufacturer the same amount for materials that we figure for ourselves, which is altogether too generous, because he has the bristles at his door without the duty, and with very cheap labor for preparing the same, so that we have no doubt that item could be reduced considerably if figured exactly. The following table will show you the importations of brushes from all countries covering a period of ten years, under a duty of 40 per cent ad valorem:

July 1, 1897, to July 1, 1898	$745,267
July 1, 1898, to July 1, 1899	890,624
July 1, 1899, to July 1, 1900	977,487
July 1, 1900, to July 1, 1901	1,142,234
July 1, 1901, to July 1, 1902	1,151,016

July 1, 1902, to July 1, 1903	$1,245,567
July 1, 1903, to July 1, 1904	1,372,227
July 1, 1904, to July 1, 1905	1,306,466
July 1, 1905, to July 1, 1906	1,357,114
July 1, 1906, to July 1, 1907	1,586,556
July 1, 1907, to July 1, 1908	1,648,310

We, ourselves, nor any other brush manufacturers that we are aware of, are not asking for anything more than to be put on an exactly equal basis with the manufacturers of foreign brushes when they sell their goods in our own country. It is a well-known fact that the tendency in this country is to constantly shorten the hours of labor, and consequently increase the cost of making goods, while in the foreign countries the hours are long and the people are as skilled as our own, and the manufacturers possessed of all the latest machinery with which to do their work, and we desire to call your attention to the fact that in the year 1890 the importation to this country of Japanese brushes was about $1,000, in 1907 it amounted to over $400,000, the large advance having been in the last five years, with a tariff of 40 per cent, and if these conditions continue it will result first of all in the American manufacturers being forced to cut wages, and finally it will result in our annihilation, because when we begin to cut wages our employees will find other industries that have not been so affected, and where the wage scale can be kept up. The result will be that we can not get help at prices that we can afford to pay, and we will be practically out of business.

We are not asking for an unreasonable advance in the tariff on brushes, therefore, when we suggest that it ought to be as high as 60 per cent, which you will see is not quite up to the average of the two examples given above.

The foreign manufacturers have no duty to pay on bristles used in the brushes they make, and while this is not a large percentage item in the case of high-priced bristles, yet in the cheaper grades it becomes a large factor, amounting to from 33⅓ to 25 per cent on the cost of the bristles used. Therefore you can see that if the bristles item in a brush is $4 and the bristles are high priced, so that the present duty would only mean about 1 or 2 per cent, it adds only from 4 to 8 cents a dozen to the cost of our brush; but in the case of the cheaper brush, where the bristle cost is 70 cents and the duty at 7½ cents a pound, or 11 per cent, it makes a difference of 7 cents per dozen, or 3 per cent on the total cost of the brush.

You will please note the following:

First. There are almost no brushes exported from the United States to foreign countries. We have made several attempts, but are not able to compete with foreign manufacturers on an equal basis.

Second. There exists no combination or trust among or between the manufacturers of brushes in the United States for the regulation of prices or wages.

Third. That the 40 per cent duty on brushes is insufficient and does not cover the difference between the cost of labor in foreign countries and in the United States; that, in our opinion, 60 per cent duty will not be too high to actually cover this difference.

Fourth. That not only is the wage scale smaller in foreign countries, but the working hours are longer than in the United States; and in one country, at least, no day of rest is observed.

Fifth. That foreign goods are shipped largely into this country through an agent, thus making the undervaluation of goods easy, and this agent oftentimes is not a citizen of the United States.

Sixth. That large quantities of prison goods are made in Germany, and it is not possible to trace these goods when brought to this market, as there is no distinctive mark on them.

Seventh. Very strong combinations of brush makers exist in Germany, and in Japan the industry is backed by the Government in the case of one at least of the large factories.

Eighth. That all the brush makers of the United States contribute in taxes toward the support of the local government, and are paying out to their employees each week large sums of money in pay rolls, which is kept in circulation through this means, and have large sums of money invested in their respective plants.

We only request that you give the matter your attention, and after verifying our figures, which can be readily done, we feel sure that you will consider the need of the people who labor in this business and fix the tariff at a point where the present schedule of wages can be maintained in our United States factories, and the foreign competition will be on an equal basis with us when we go to the same men to sell goods. We are perfectly willing to stand or fall on the merits of our business and the skill of our employees.

The duty of 7½ cents per pound on bristles, we believe, can be largely reduced, or entirely taken off, because at the present time the production of bristles in the United States is very small, and it is not an industry that will grow, but is bound to become obsolete, whether protected or not, because of the conditions that exist relative to the slaughtering of hogs while they are still young and before any bristles have grown on them to speak of.

It is safe to say that there are no good stiff bristles grown in this country now, and only a few hundred pounds in the last year or two of medium stiff goods. For a year or two past the supply of soft American bristles has been entirely insufficient, and has forced manufacturers to use cheap grades of Chinese bristles as a substitute, and on these cheap grades of Chinese bristles the duty of 7½ cents a pound amounts to as high as 33⅓ per cent of the cost. We see no reason, therefore, why the duty on bristles should be continued.

Respectfully, yours,

GRAND RAPIDS BRUSH CO.,
J. D. M. SHIRTS,
Vice-President, Treasurer, and Manager.

THE JOHN L. WHITING-J. J. ADAMS COMPANY, BRUSH MANUFACTURERS, BOSTON, MASS., RECOMMEND THE REMOVAL OF DUTY FROM BRISTLES.

SATURDAY, *November 28, 1908.*

Hon. SERENO E. PAYNE,
House of Representatives, Washington, D. C.:

We beg to advise you that we are manufacturers of nearly all kinds of brushes, and submit herewith circulars showing particulars of our general line.

Our cash capital invested in the manufacture of brushes is $1,000,000. We employ between 1,000 and 1,100 persons in our factories

making brushes, and have contracts with outside factories in the United States, making handles and woodwork for our brushes, which employ 200 to 300 additional persons. Our yearly pay roll is from $275,000 to $350,000 in our own factories. To this we think it is proper to add the labor of wood-working factories which make our brush handles, making additional United States labor cost of our product from $75,000 to $100,000 on handles alone.

We also use large quantities of brass, copper, steel, tin plate, leather, tacks, varnish, and incidental supplies produced in the United States. No advances in selling prices of brushes have ever taken place in the United States except those forced by increased cost of raw materials, and none are likely to occur.

Brush manufacturers in the United States have been for many years subjected to severe competition by the importation from Germany, France, and Japan of manufactured brushes, sold at less prices than can be named on brushes manufactured in the United States by existing higher-cost labor. These importations amount yearly to over one and a half million dollars' worth of brushes at importers' prices. If the duty were 50 per cent ad valorem instead of 40 per cent, as at present, more brushes would be manufactured in the United States, yet the increased duty would not be prohibitory.

Manufacturers of brushes in the United States have the factories and work people and the best facilities for making brushes in the world, but kinds in which labor is the great element of cost are made elsewhere, owing to lower labor cost in countries of present origin than in this country. Given protection to equalize difference in cost of labor, United States brush manufacturers will furnish employment to great numbers of work people on brushes in addition to those now employed.

The following statement of importations of brushes since 1893 shows how rapidly foreign manufacturers have increased their sales of brushes in the United States:

July 1, 1893, to July 1, 1894	$559,767
July 1, 1894, to July 1, 1895	600,583
July 1, 1895, to July 1, 1896	753,928
July 1, 1896, to July 1, 1897	782,802
July 1, 1897, to July 1, 1898	745,267
July 1, 1898, to July 1, 1899	890,624
July 1, 1899, to July 1, 1900	977,487
July 1, 1900, to July 1, 1901	1,142,234
July 1, 1901, to July 1, 1902	1,151,016
July 1, 1902, to July 1, 1903	1,245,671
July 1, 1903, to July 1, 1904	1,372,227
July 1, 1904, to July 1, 1905	1,306,446
July 1, 1905, to July 1, 1906	1,357,114
July 1, 1906, to July 1, 1907	1,586,556
July 1, 1907, to July 1, 1908	1,648,310

Imported brushes have no features to their advantage over those made in the United States in regard to finish, style, or quality. The sole reason why they are sold here is that prices are less than we can afford to sell same kinds at with present labor cost. This condition exists particularly with respect to toilet brushes, such as hair, tooth, cloth, nail, and artist brushes, and similar kinds, and also some others in which labor is the great element of cost.

Brushes in the United States are very largely the product of small factories, distributed in many places, there being but few large manufacturers. There is no trust or combination in the brush in-

dustry in the United States to influence prices. Competition between manufacturers is vigorous and profits are small. The business is not generally prosperous, and during the past four or five years, including years of general prosperity in the whole country, many failures of brush manufacturers have occurred, as large and perhaps a larger percentage than in any other industry.

Brushes of best grades are exported from the United States to a limited extent. If the manufacture of the kinds now imported could be firmly established here, there is every reason for believing that a considerable export trade on them could be built up.

BRISTLES.

The principal material used in the manufacture of brushes is bristles, which have a specific duty of 7½ cents per pound, equivalent to 2½ or 3 per cent average cost on such brushes as are made of bristles. Other brush materials, such as Tampico, soft hairs, and different fibers, are free of duty.

The duty on bristles is now specific, 7½ cents per pound, on such as are imported. This duty could be abolished and all bristles put on free list without doing injury to any industry in the United States and to the advantage of brush manufacturers here. It is impracticable to import them in raw condition free of duty.

Bristles are a by-product, and the kinds imported can not be produced in the United States. All manufacturers of brushes in all parts of the world must go to Russia, Germany, France, and China for their bristles. American hogs are killed young, before their bristles are of much length or size, and over three-quarters of the quantity produced is not over 2¾ inches long, and is used almost entirely for cheaper kinds of household brushes.

The fact that crude bristles will not be imported into the United States is demonstrated by the few that have been under the present law. The entire importation of crude bristles imported July 1, 1907, to July 1, 1908, was 5,549 pounds. If bristles of all kinds were on the free list, it would cause a reduction in the selling prices of brushes made of bristles of from 2 to 3 per cent.

The following statement gives importations of dutiable bristles into the United States since 1893:

	Pounds.
July 1, 1893, to July 1, 1894	1,231,599
July 1, 1894, to July 1, 1895	1,525,424
July 1, 1895, to July 1, 1896	1,571,894
July 1, 1896, to July 1, 1897	1,347,270
July 1, 1897, to July 1, 1898	1,533,887
July 1, 1898, to July 1, 1899	1,835,156
July 1, 1899, to July 1, 1900	1,503,018
July 1, 1900, to July 1, 1901	1,633,036
July 1, 1901, to July 1, 1902	1,972,572
July 1, 1902, to July 1, 1903	3,009,806
July 1, 1903, to July 1, 1904	2,576,615
July 1, 1904, to July 1, 1905	2,461,464
July 1, 1905, to July 1, 1906	2,728,114
July 1, 1906, to July 1, 1907	3,433,941
July 1, 1907, to July 1, 1908	2,550,911

The large increase in pounds since 1902 is due to great quantities of lower-priced black Chinese bristles imported, which have replaced the more expensive better quality of Russian, German, and French

bristles. Black Chinese bristles make brushes which wear out more quickly, and also are shorter than the Russian and German.

Yours, very truly,

JOHN L. WHITING-J. J. ADAMS CO.,
LEW C. HILL, *President.*

STATEMENT OF JOSEPH C. BONNER, REPRESENTING THE AMES-BONNER COMPANY, OF TOLEDO, OHIO, RELATIVE TO DUTIES ON BRUSHES AND BRISTLES.

SATURDAY, *November 28, 1908.*

The CHAIRMAN. How much time do you want, Mr. Bonner?

Mr. BONNER. Five minutes or less.

Mr. Chairman, if I may be permitted to say it, I have a feeling almost akin to veneration in addressing the Committee on Ways and Means, owing to the fact that on one occasion I was here in the cause of brushes when its former lamented chairman, the greatest exponent of protection, William McKinley, was in the chair. Later I had the privilege of serving on his staff, and in 1907, in the electoral college, of voting for him as President of the United States.

I have come nearly 600 miles to have the privilege of presenting this cause to you. I think it is unfortunate that the committee have been laboring so industriously so many hours to-day that I can scarcely present this matter in such a shape that I think you would most enjoy hearing it. I will not endeavor to do so—simply to say this: The statistics compiled by the Bureau of Statistics of the Treasury Department show that the importation of brushes since the enactment of the McKinley law has increased to 110 per cent. From Japan the increase in percentage is 4,000 per cent. It is an abnormal increase. The general increase of all commerce of the United States, according to the statistics, is 42 per cent. In exports of brushes from the United States the percentage is 23 per cent, while the general exports of all commerce in the United States have increased in the abnormal amount of 210 per cent.

In the human wage scale brush workers are the lowest in this country and abroad. A State Department consular report has come to the brush manufacturers of this country within ten days, which indicates that the labor wage there on brushes is in Japan 50 cents for men, 15 cents for women, and 5 cents for children. Under the plan of the future tariff schedule on brushes there are two distinguishing characteristics—two families of brushes, so to speak—that should be recognized. I refer to household and toilet goods on the one hand and paint and varnish goods on the other. In the one case the percentage of labor to material is about as 3 to 1, and in the other case it is about 5 to 5 or 3 to 7, according to the average.

As to the question of the profits the American manufacturer can make under the circumstances of the abnormal importations, as is shown by the brief which I will submit, and also as to the question of whether we are producing at higher or lower prices and furnishing the people with brushes at better prices than heretofore, all bristle hair brushes, are sold to-day, as against like brushes, at 25 cents in 1890, and I will say that the manufacturers of this country will supply for 10 cents a hairbrush, a clothes brush, a shoe brush, a

shaving brush, a paint brush, an artist's brush. There is no more intricate machinery used in the manufacturing industrial arts than the machinery that has been introduced by the brush makers and is in use in this country in the production of toilet brushes. And with our facilities we will take the output of a factory and offer it to anyone for one to five years—I refer to brushes such as we make, toilet brushes—for 10 cents a dozen profit. That is what we are reduced to, and this is what is necessary under the circumstances of the brush situation. We require much higher tariff.

There is this condition confronting the American brush manufacturers, as we see the small spot in the horizon: That while in 1890 Mr. McKinley undertook to adjust conditions as between wages in this country and foreign countries, to-day they are utilizing the same machinery that we are and the same facilities plus the Mongolian cheap labor. So that, as I stated, it has become possible (and it does occur in the brush business) for them to import at the abnormal rate of 110 per cent as against the 42 per cent for general imports, and the exports from this country are 23 per cent as against 210 per cent for general exports.

I do not feel that I should take any more of the committee's time at this late hour, and will, if privileged, submit a brief on brushes, asking two separate tariff schedules; also a brief for bristles to be placed on the free list.

JOSEPH C. BONNER, OF TOLEDO, OHIO, FILES BRIEF RELATIVE TO THE DUTIES IMPOSED ON BRUSHES.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS.

SIRS: I have the honor to submit the following statement, in accordance with conditions of hearings on tariff revision, subject of brushes, Schedule N, paragraph 410:

The principal feature of the foreign commerce in brushes is evidenced in the annual report of the Bureau of Statistics of the Treasury Department for the year ending June 30, 1890, compared with like statements of subsequent years to and including 1907, as shown by the following tables:

Brushes.

Year.	Imports.	Exports.
1890	$767,128	$151,128
1891	963,573	150,609
1892	797,879	181,110
1893	814,062	241,343
1894	559,767	179,096
1895	660,585	165,672
1896	753,928	180,133
1897	782,802	195,056
1898	745,267	158,272
1899	890,629	211,961
1900	977,513	232,986
1901	1,142,385	254,047
1902	1,151,016	261,729
1903	1,245,671	283,994
1904	1,372,227	275,522
1905	1,306,446	327,083
1906	1,357,114	366,106
1907	1,586,556	415,782

The total foreign commerce of all merchandises of the United States shows:

Year.	Total United States imports.	Total United States exports.
1890	$789,310,409	$845,293,823
1907	1,434,421,425	1,853,718,034

The brush commerce is marked by three notable characteristics: First, a phenomenal increase of imports; second, only nominal figures found in the brush exports; third, a comparison of brush imports with the total importations of the United States for the years 1890 with 1907, as shown by the reports of the Bureau of Statistics, indicates that the percentage of increase in general imports equaled 42, while that of brushes increased by the abnormal percentage of 110.

A study of the details of the commerce of the United States with all parts of the world during the last twenty years as to percentage shows a more rapid growth of our sales of all merchandises than of our purchases, the exports at the same time considerably exceeding the imports, the percentage being 219. In the face of this fact is the astonishing showing that the exportation of domestic brushes for years 1890–1907 equaled but 23 per cent of brush imports.

The Bureau of Statistics for 1907 states that advance in price has been reflected in the values of both exports and imports. It reads:

Comparing prices of articles exported or imported in 1907 with those of the fiscal year of 1899, the first full year after the enactment of the existing tariff law and a period thereafter unaffected by tariff changes, a large number of articles imported and exported show in 1907 marked increases in prices over those of 1899, the increase in many cases above 50 per cent and some cases more than 100 per cent. Manufacturers' materials in both raw and partially manufactured stocks show striking advance in prices in both imports and exports comparing prices in 1907 with those of 1899.

While manufactures generally show these advances in prices of materials and manufactures, there is also indicated through definitely ascertained knowledge, the general experience of producers and sellers of brushes, that the selling prices of this particular manufacture have shown a continuous and a gradual lowering in sales prices.

To summarize the movements of brushes between the United States and foreign countries for the period 1890–1907, it will be seen:

First. Importation of brushes increased 110 per cent, while the total imports of the United States increased but 42 per cent.

Second. Exportation of brushes equaled but 23 per cent of brush importations, while the general export commerce of the United States exceeded general importations by 210 per cent.

Third. The domestic prices of brushes have lowered generally in face of the marked advance in a large number of other manufactured articles affected by the tariff, this in face also of general advance in manufacturers' raw materials and labor. For instance, a toilet hair-brush article sells to-day for 10 cents, made of all bristle, equal in quality as good as sold at 25 cents in 1890.

These three salient features of the brush industry may be analyzed by a statement reflecting the condition of the domestic brush business for the period 1890–1907.

Parenthetically, tariff Schedule N, paragraph 410, specifically prescribes to cover brushes, brooms, feather dusters of all kinds, hair pencils in quills or otherwise. The importation of brooms is only nominal in volume, and in 1907 showed but $1,655 as a high average. In the brush art the tariff acts have recognized no differential provisions or rates for the purpose of assessing duty, all varieties of brushes being liquidated at custom-house at 40 per cent ad valorem.

The commercial designation of brushes, however, is, broadly, divisible into two general groups—group A, toilet and household brushes; group B, painter's, shaving, and artist's brushes.

Brooms and dusters should not be properly classed in either group. They are produced by entirely different processes, are made of unlike materials, are not items really in customs commerce, because American designs, or corn brooms, are not produced abroad, yet in the labor statistical reports it is indicated that many more people are employed in broom making than in the brush manufacture. For all purposes of computation brooms should be entirely segregated from brushes.

Manufacturers of brushes of either group A or group B rarely engage in the production of the other group. The organization of the businesses, the character of the trade sold, the utilities, tools, and processes of production used, the training of labor to knowledge of the processes are as a sealed book of the one producer as against the other.

In the manufacture of group A—toilet goods—consist such as hairbrushes, toothbrushes, clothes, bath, and nail brushes; household brushes, such as shoe brushes, scrubbing, stove, plate; horse and mill brushes. Some of the most intricate and complicated machinery is utilized in their manufacture that is known in all the manufacturing industrial arts. Single brush factory equipments in this country of machines to produce toilet and household brushes have exceeded in cost hundreds of thousands of dollars. Highly skilled machinists and tool makers keep such machines in perfect working condition. Skilled men and skilled women operate these machines. Seventy-five per cent of the importation of all brushes into the United States under the 40 per cent ad valorem duty are toilet brushes of variety group A.

Practically all tooth brushes sold in this country are imported, and they are used by every man, woman, and child in the United States. Why is this so? The answer is plain—inadequate tariff protection. And this application is alike to all toilet brushes.

Why is there insufficient duty, and what would be the proper protection?

The writer was privileged intimate official association with the author of the McKinley tariff bill. As the outcome of conferences and hearings an arbitrary rate of 40 per cent was made and exists to-day in the brush tariff schedule. The Mills bill rating was 20 per cent, and the brush producers asked 55 per cent. The result is, many manufacturers have had to quit operations.

The Bureau of Statistics clearly shows by reports the fallacy of such named tariff conclusions, abnormal increase of import brushes by 110 per cent, while general customs imports equal only 42 per cent. Increasingly large brush imports come from all the important foreign countries, but particularly from Japan, whence comes the

increase for the years 1890–1907 of 4,000 per cent, or 25 per cent of all brush imports to the United States.

In the brush group A labor constitutes 65 to 75 per cent of the cost of the produced article. The intricate brush machinery before mentioned of this group was introduced at great expense and estimated labor savings to meet foreign cheap labor and to further lessen cost of the manufacture and the selling prices. It was an accomplishment in fact. To-day the world makes no better brushes than the United States can produce; still importations increase in volume and out of percentage proportions to other lines of manufactures. The brush industry is thus bearing more than its just share of the national burden, if protection be a burden.

Brush makers' wages, both domestic and foreign, all statisticians agree are of the lowest-paid wage scale of human employment. The reason for this must now be understood, and it is a condition confronting the underlying fabric of our American industrial existence. It is found in the foreign industrial producer. The foreigners all are utilizing the world's best machinery, tool inventions, and facilities, notably Japan, dually cooperating in such use the cheapest human skill and power, with Japan working at a brush wage rate of 50 cents per day for men, 15 cents for women, and 5 cents for children, as shown by a November, 1908, consular report; and so, with but 40 per cent duty, they terribly undersell our brush wares in this market. Such is our unnatural competition to-day. So far have our brush manufacturers been pushed by this unfair competition that in the work plan of 1905 women wage-earners employed numbered 3,054, children 448, the cheapest American labor, with 546 shops less shown to be in operation than in 1890. These figures are extracted from Bureau of the Census for 1905, Bulletin No. 57.

The Ohio bureau of labor for 1907 shows brush reports on labor averages of daily wage earnings to be, men, $1.92; women, 77 cents; boys (16 to 18 years), 62 cents.

After the enactment of the McKinley tariff law and because of the introduction of many labor-saving processes, it was hoped that it would be possible for domestic brush makers to get the competition share of the trade of this country, but almost immediately did the active foreign brush makers provide machinery, adopt all the labor-saving devices and use them just as cleverly as we do. They pay no duty on bristles. We pay 7½ cents per pound, or the equivalent of average of 30 per cent ad valorem. Again, we pay 35 cents per pound labor to dress bristles as against one-fifth of such cost to the foreigner. Again, the Japanese merchant does not appear to possess that element in national characteristics known as commercial integrity, for in dealing with the United States customs the Board of Appraisers reports show greater percentages of advances in valuations assessed on Japanese goods than are marked against any other country.

The Director of Bureau of Census says in communicated letter of November, 1908:

> In the analysis of brush labor statistics care should be taken that incorrect conclusions as to the cost of manufacture or profits made be not drawn from the tables. Not only do the figures take no cognizance of the depreciation in the plant, but they are defective in not including other important costs. The expense incident to the sale of product is omitted. Moreover, the figures take no cognizance of the interest on capital invested or losses due to bad debts. There are no statistics available in regard to the manufacture of brushes in Japan, England, Germany, or France.

There are not and there never have been brush industrial combinations in the United States; no trusts; no labor-union brush makers; no profit dividends aggregating more than what would equal interest-rate returns on government bonds.

We believe it to be the intention of the tariff-making power to reconstruct the tariff along lines that will exclude unnatural foreign-labor competition, commensurate with, but not beyond, what will secure work for our skilled labor at living wage scale that they may enjoy ambitions, have homes and property, instead of looking forward to possible trade extinction.

Results from the operations of the existing tariff schedule of 40 per cent ad valorem demonstrates undeniably that it will require, and we earnestly desire and ask that 60 per cent ad valorem duty be prescribed for brushes, Group A, to enable domestic manufacturers to meet the at present unfair competition with foreign cheap labor, but, to anticipate the near future conditions, will say 75 per cent will hardly accomplish it.

This tariff classification to be paragraphed as toilet and household brushes or drawn-work brushes, or where the brush materials are drawn or punched and held in the bored block.

In the brush Group B, paint brushes, shaving and artist's brushes and kindred varieties, since the raw materials constitute 25 to 70 per cent of the cost and labor in the reverse-named percentages of the produced article, naturally the brush values are much higher, and the foreign competition, while most troublesome under the present 40 per cent ad valorem rate, is not yet quite so ruinous as is the foreign competition in toilet brushes, Group A. Almost as many skilled operators are employed, the capital outlay for machinery and tool plants, though, are not nearly as large as for brush manufacture under Class A. Brushes Class A are scarcely exported. Brushes are exported under the classification B in a small way, but not at all with freedom of the markets. But this notable fact must be in mind:

American makers of painter's and artist's brushes are to-day buying of importers their supplies of cheap-grade brushes. They can not compete. This brush group ranks first in gross values of products and a good second in number of wage-earners employed. We urge that the basic principles of protection as intentionally applied requires the placing of brushes in Group B on an ad valorem duty rate of 55 to 60 per cent. In the specific description of Group B we would suggest for the schedule title—Brushes, shaving, paint, and artist goods, or all varieties known as pan or cement-processed brushes.

We think we have fairly and justly presented the brush situation. We should have equal competition, not annihilation, as is already shown with regard to toothbrushes. Our recommendations are in the public interest, brush products entering into a part of the daily life of everybody. Yet so cheaply now are brushes sold that for 10 cents can be bought a hairbrush, or a clothes, shoe, tooth, shaving, paint or a horse brush. The toilet-brush producers will not in this country to-day show an average profit in their line of manufacture of 5 cents per dozen. Our factory was established in 1845.

Respectfully submitted.

Jos. C. Bonner,
President Ames-Bonner Company, Toledo, Ohio.

STATEMENT OF COL. ALBERT CLARKE, OF 77 SUMMER STREET, BOSTON, MASS., RELATIVE TO BRUSHES AND BRISTLES.

SATURDAY, *November 28, 1908.*

Mr. CLARKE. I appear for Mr. L. C. Hill, of Boston, who has been here to-day, but has been obliged to leave. He just wished to have me explain to the committee why he is not present and to submit his brief.

I also appear for Mr. Frank N. Look, of the Florence Manufacturing Company, of Florence, Mass., merely to submit a letter which he addressed to me and which I will file because it is a model of condensation, and contains a great many very interesting facts on this brush industry and the competition which our manufacturers have with Austrian and Japanese brushes.

I believe, Mr. Chairman, that I have done my errand, and do not need to say more.

FLORENCE, MASS., *November 26, 1908.*

Hon. S. E. PAYNE, M. C.,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We have been manufacturing toilet brushes for forty-two years and employ about 500 people. For a number of years we have been endeavoring to manufacture popular-priced toothbrushes, now principally made in Asiatic and European countries.

A few facts bearing upon the exact labor conditions are impressive. We employ no child labor. In Japan children are more or less employed, at less than 1 cent per hour. Women with us earn from 10 to 20 cents per hour; in Japan from 1½ to 2 cents per hour. We pay our male labor from 15 to 35 cents per hour. In Japan male labor is paid about 5 cents per hour. In a large brush manufactory employing over 700 hands in Austria skilled male labor receives from 9 to 11 cents per hour. Women are paid from 5 to 6 cents per hour. In this particular factory the highest paid man, a master mechanic, receives about 15 cents per hour, whereas with us we would pay 40 to 50 cents per hour.

As labor is more than one-half the cost of toothbrushes, the present rate of duty of 40 per cent ad valorem still gives the Japanese and the Europeans decided advantage over American labor on the present basis of American wages. Japanese toothbrushes made by hand confront one everywhere throughout the United States, at prices which absolutely preclude successful competition by American labor, even under the present duty of 40 per cent.

The introduction of modern machinery in Japan, such as is in general use in Europe, especially in Germany and Austria, coupled with the very low-priced labor of Japan, would produce a startling effect upon the brush industry in America. In the application of machinery to the manufacture of toothbrushes Germany and Austria especially are in advance of the rest of the world, including America as well.

In Austria and in Germany many operations are performed by women where we are obliged to employ men, thus creating a much

wider difference in labor costs than is apparent in an actual comparison of wages paid. This must be equally true of conditions in Japan, where wages paid women are so much less than paid in Austria and Germany. In Belgium and in Germany women dress bristles and do classes of work which are not and can not be performed by women under American conditions.

A low-priced, moderate-sized toothbrush manufactured by machinery in Austria represents an actual labor cost of 73 cents per gross in comparison with an actual labor cost in America of $2.08 per gross.

Toothbrushes are being used by Americans in increased quantities, and with proper protection an industry employing an increased number of American laborers at American wages can be built up.

We respectfully ask that the present rate of duty upon brushes of 40 per cent ad valorem be increased to at least 50 per cent ad valorem.

We also ask that the duty of 7½ cents per pound upon bristles be removed, and that bristles be entered free of duty, in order that we may thereby be placed on a fairer basis in comparison with Asiatic and European countries, as practically no bristles used in the manufacture of hairbrushes, and no bristles used in the manufacture of toothbrushes, are produced in America.

Very truly, yours,

FLORENCE MFG. CO.,
FRANK N. LOOK, *Treasurer.*

STATEMENT OF W. D. FOSS, REPRESENTING THE WOOSTER BRUSH WORKS, WOOSTER, OHIO, RELATIVE TO BRISTLES.

SATURDAY, *November 28, 1908.*

Mr. FOSS. Mr. Chairman and gentlemen, I exceedingly regret that the hour is so late. I will therefore take up as little of your time as possible, and I will not attempt to read my brief. Colonel Bonner, who preceded me, has gone into the matter of brushes. I want to speak just for a few moments on the matter of bristles, which interest paint and varnish brush manufacturers more than the manufacturers of toilet brushes.

It will be necessary for me to give you a few figures from my brief.

The total number of pounds of bristles imported for the year ending June 30, 1907, was 3,433,941 pounds, amounting in dollars to $3,256,552. Average per pound, 94.8 cents. There was a 7½ per cent duty, equaling 7.9 per cent.

From China alone there were imported at least 1,159,487 pounds, amounting to $657,551. Average per pound, 56.7 cents, equivalent to 13½ per cent.

From all other countries there were imported a little over 2,000,000 pounds, amounting to $2,500,000—an average of $1.16 1/10, or 6.4 per cent ad valorem duty.

Large quantities of Chinese bristles have also been imported into the United States from England and Germany.

From the above it will be seen that over one-third of all bristles imported (or 1,159,487 pounds, 33.7 per cent) are Chinese, the average price of which is 56.7 cents per pound. There is 7½ cents per

pound specific duty on the same, which is equal to 13⅓ per cent. But over one-third (or about 36 per cent) of all Chinese bristles imported being 2½-inch (the size most used), with an average value in China of 16 cents per pound, the present duty is equivalent to 47 per cent.

That is as much, gentlemen, as I intend to say regarding bristles, in order to lead up to two brushes which I have in my hand. I will file this brief, which will give the other data in reference to the matter.

The CHAIRMAN. Yes; file your brief and it will be read carefully, Mr. Foss.

Mr. FOSS. Up to the present time the paint and varnish brush manufacturers have been affected but little by the duty on brushes. But we see a menacing cloud on the horizon, when the Japanese can produce a little brush like that [exhibiting brush] for $1.79 per gross, put on a profit of 45 cents, pay a duty of 40 per cent and 10 per cent for transportation and insurance, and land the brush to the jobber in New York City for $3.36 a gross. I have the figures here giving the Japanese cost and also the American cost. I took that brush home and made a couple of dozen of them in our own factory. Without going into the details of the several items entering into the brush, the same brush costs us $3.84 per gross. The Japanese manufacturer can lay it down in New York 10 per cent less than we can make it, and have a profit of 25 per cent.

You will see, on comparison, that they are making a very fair imitation. They are great imitators. It is only a question of a very short time until they will be in the paint and varnish brush business just as strongly as they are to-day, as Mr. Bonner has explained to you, in the toilet-brush business.

For that reason the paint-brush manufacturers, in view of the enormous percentage of duty now imposed upon us on short stock or short lengths of bristles, respectfully request that you increase the duty at least 10 per cent on brushes, making it 50 per cent, and that we be relieved of the specific duty of 7½ cents per pound on bristles.

BRIEF SUBMITTED BY W. D. FOSS, OF WOOSTER, OHIO, ON THE SUBJECT OF BRISTLES AND THE DUTIES THEREON.

WOOSTER, OHIO, *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Permit me to call your attention to the fact that the firm which I am here to-day to represent is a copartnership, and we are not a party to any agreement, expressed or implied, with any competitor, either in regard to the regulation of production of brushes or fixing the prices at which same should be sold. Every brush manufacturer in the United States, so far as I am able to learn, stands upon his own individuality.

In regard to the specific duty of 7½ cents per pound on bristles as the law now stands, under Schedule N, paragraph 411, I am of the opinion that same should be removed and bristles placed upon the free list, for the following reasons:

Total foreign bristles imported into the United States during the year ended June 30, 1907, were as follows:

	Quantity.	Value.	Average per pound.	7½ cents pound equals—
	Pounds.			*Per cent.*
Total imported	3,433,941	$3,256,552	$0.948+	$0.079+
From China alone, at least *	1,159,487	657,551	.567+	.132+
From all other countries	2,274,454	2,599,001	1.161+	.064+

* Large quantities of Chinese bristles are also shipped into the United States from Germany and England.

From the above it will be seen that over one-third of all bristles imported (or 1,159,487 pounds, $33\frac{7}{10}$ per cent) are Chinese, the average price of which is $56\frac{7}{10}$ cents per pound; 7½ cents per pound specific duty on same is 13½ per cent. But over one-third, or about 36 per cent of all Chinese bristles imported, being 2½ inch, the size most used, with an average value in China of 16 cents per pound, the present duty is equivalent to 47 per cent.

The average cost during the past five years for 2½-inch Chinese bristle to brush manufacturers in the United States has been from 27 cents per pound to manufacturers located in cities on the Atlantic coast to 29 cents to manufacturers in western cities.

Our average cost per pound on 2½-inch Tientsin Chinese bristles in the past five years has been	$0.28½
Cupping or straightening	.02
Combing and dressing	.10½
Fourteen per cent loss on twine, wrappers, straightening, and combing	.04
Our net cost on 2½ inch when ready for the brush	.45

Assuming the same length (2½ inch) to be worth in China or Japan 16 cents (our expert male workmen average $2.56 per day, Japanese male workmen average $0.50 per day), their labor on the bristles for straightening and combing is four-fifths less than ours, or 0.024 cent, allowing same loss of 14 per cent, 0.022 cent; Japanese net cost when ready for the brush, 0.206 cent.

The advantage to foreign brush manufacturers in countries where there is no duty on bristles is obvious, even though no consideration is given to labor costs, which in our industry is a big item.

The following is the average wage we paid our employees during the past four weeks: 50 males average $12.92 per week, or $2.15 per day, of which number 35 are men, average $15.39 per week, or $2.56 per day; of which number 15 are boys, average $7.14 per week, or $1.19 per day. Thirty females average $4.97 per week, or $0.83 per day.

We work nine and one-half hours five days per week and eight and one-half hours Saturday; total, fifty-six hours per week. We have no means of knowing the number of hours required of employees in foreign brush factories, but presume they operate their factories at least as many hours per week as we do, and have learned through our United States consul in Japan that in the brush industry—

	Per day.
Males receive	$0.50
Females receive	.15
Children receive	.05

In ten years the importation of foreign brushes has increased from $745,267 to $1,648,310, or over 121 per cent. The increase from Japan alone has been over 4,000 per cent in twenty years. From that country the importations of brushes in 1887 were about $1,000, and in 1907 more than $400,000. The increase has been largely in toilet brushes, and thus far the paint and varnish brush manufacturers of the United States have been affected but little. However, we see a menacing cloud on the horizon; the handwriting on the wall indicates that our competition from foreign markets will very soon become even more fierce on paint and varnish brushes than it is at present on toilet brushes. As an illustration, permit me to call your attention to the following tabulated example, samples of the brushes herewith submitted, both of which are made from 2½-inch Chinese bristles—our brush stamped "A," Japanese brush stamped "J":

	Our 1-inch "A" varnish.	Japanese 1-inch "J" varnish.
Length bristle used.....inches..	2½	2½
Our cost for this bristle prepared ready for the brush, per pound.....	$0.45	[a]$0.21
Weight bristles per brush.....ounces..	5/32	[b]5/32
Cost of handles per gross.....	$1.15	$0.57
Cost of ferrules per gross.....	.67	.34
Cost of bristles per gross.....	.64	.33
Cost of labor per gross [c].....	.78	.14
Cost of nails per gross.....	.04	.04
Cost of boxes and packing per gross.....	.21	.21
Add 10 per cent for freight, cement, and factory expenses.....	.35	.16
Total cost per gross.....	3.84	1.79
Add 25 per cent profit, gross [d].....	.96	.45
Our selling price.....	4.80	
Sell in Japan at.....		2.24
50 per cent for duty, transportation, and insurance.....		1.12
		3.36

[a] Japanese cost.
[b] Weight per brush.
[c] Our female help (the kind employed in making these brushes) averages 88 cents per day, same kind of labor is paid 15 cents per day in Japan, or 82 per cent less than ours, making their labor on a gross of these brushes cost 14 cents, as against 78 cents which we pay.
[d] Selling expense, office expense, and losses must come out of this.

Thus it will be seen they are able to produce these brushes and add the same percentage (25 per cent) to their factory cost and lay them down in the warehouses of the United States jobber, with 40 per cent for duty and 10 per cent for transportation and insurance added, at a net price of $3.36 per gross, or 42⅔ per cent less than we can sell the same article, and, as a matter of fact, 10 per cent less than our factory cost; so that even though the ad valorem duty imposed were 75 per cent it would no more than cover the difference in labor between the two countries. However, we are not asking for any such increase, but conscientiously feel that the duty should be at least 50 per cent on brushes, and that the specific duty of 7½ cents per pound on bristles should be removed.

Respectfully submitted.

WOOSTER BRUSH WORKS,
Per WALTER D. FOSS, *Wooster, Ohio.*

BRIEF OF FIELDER C. SLINGLUFF, FOR WILLIAM WILKENS CO., BALTIMORE, RELATING TO BRUSHES AND BRISTLES.

WASHINGTON, D. C., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The William Wilkens Company is a corporation doing business in the city of Baltimore.

It has branches in New York and Chicago, and has been in the same business—that of hair-bristle and brush-fiber manufacturers—for the last sixty-four years. It employs on an average about 500 hands, and a large and important branch of its business is and has been during the entire time of its business life the cleansing, treating, and manufacturing of bristles for brushes.

It buys these bristles in the packing centers in the West, in the crude state, and then prepares them for the brush makers, and it is now the principal consumer of these bristles left in the country, nearly all of the other manufacturers in this line having been forced to cease business because of the competition with bristles from the markets of China.

Some years ago Armour & Co. and Swift & Co. made an effort to dress their product of crude bristles and fight the Chinese competition, but after suffering serious loss they had to give up. The William Wilkens Company, assisted by their skillful workmen and with the most improved machinery, much of it of their own invention, have so far been able to meet this Chinese competition. How long they may be able to do so depends entirely upon the question now before the committee as to the reduction or entire elimination of the now existing duty of 7½ cents a pound.

Bristles grow on the backs of hogs around the spinal column, and when the hog is killed and thrown into the boiling tub of water, and taken therefrom ready for the next process, these bristles are pulled off by several hundred of the employees of the William Wilkens Company, at the different packing places, and in this crude shape shipped to their factory in Baltimore for treatment. In this way the packer has a market for one of the many parts of the hog which would otherwise be wasted.

The Chinese Empire is a very large grower of hogs, and with its cheap labor can prepare and ship bristles far cheaper than can be done in this country. The average wage in China per day is a few cents or a handful or two of rice; while the William Wilkens Company pays its skilled labor in this line from $2 to $2.50 per day; and it has in its employ at its factory a large number of men who have been brought up in this business and know nothing else. The company has been preparing about 20,000 pounds of these bristles per month; but this amount is gradually decreasing because of this Chinese cheap labor; and, unless the business is fostered and protected by a proper and living tariff rate, this industry will certainly disappear in a few years from the country. The protection given to it at the present time is 7½ cents per pound, but this barely gives a profit to the manufacturer, and should be increased and not diminished. The bristles are bought in this country in a crude state, just as they come from the back of the hog. When imported from China

they are in a condition prepared for the brush, as will be seen from the samples shown to your committee. All the loose skin is cleaned therefrom, and they are assorted in lengths, and the butts and flags of each hair separated and tied together, and are practically ready for the brush, and present a marked contrast to the crude American bristles, a sample of which also has been shown to your committee. The bristles thus shipped from China have been subject to the tariff of 7½ cents per pound, and although many attempts have been made to have the same passed as crude or raw material through the custom-houses, the Government, through its appraisers and courts, has persistently held up to the present time that the China product as shipped was manufactured and not crude material and was subject to the duty. An effort is now made to have this duty of 7½ cents removed and the China bristles entered free of duty, irrespective of the fact whether they are in a crude shape or are prepared or manufactured.

The William Wilkens Company does not claim that the bristles from China should pay duty if they are imported in a crude condition, although, even in this case, the American manufacturer finds it almost impossible to successfully compete with the Chinese cheap labor, but they do most earnestly protest against the removal of the 7½ cents duty on the manufactured or semimanufactured material, as shown by the sample presented to the committee, and which is the condition in which these goods come from China. It costs the American manufacturer 15 cents per pound to convert the crude bristle from its crude condition to the condition of the China bristle, as imported, which is double the amount of the duty of 7½ cents now imposed; so that, at the start, the China bristle, exclusively because of the cheapness of the Chinese labor and methods of living in that country, has the advantage of 7½ cents per pound as against the American bristle. Take off this 7½ cents and the hopelessness of the American manufacturer is apparent. With this state of the case in view, Congress has heretofore failed to let the China product in free of duty, except in the crude condition, although strenuous efforts in the past on the part of the brush makers has been made to this end.

The act of July 24, 1897, which fixed the duty at 7½ cents per pound, says, in paragraph 411, that this duty is to be imposed on all "bristles, sorted, bunched, or prepared," while paragraph 509 of the same act excludes from the payment of said duty "bristles, crude, not sorted, bunched, or prepared."

The proper construction of these two paragraphs has been under consideration by the United States appraisers, as well as by the United States court, with the result that the duty has been affirmed as to the China importations put up in the shape of the samples shown to the committee.

The committee is referred to the opinion of General Appraiser Sharretts in case of Lewisohn & Co. (T. D. 15969, G. A. 2993). Also in case of Peter Woll & Sons (T. D. 20213, G. A. 4297). Also in case of J. C. Pushee & Sons (T. D. 24797, G. A. 5483), which case was affirmed in Pushee *v.* United States (155 Fed. Rep., 265), and which is now the law.

If the present status of this law is changed and the duty of 7½ cents is removed, the prompt and inevitable result will be to close every bristle factory in this country now engaged in the business,

and, as we have already stated, this branch of manufactured industry will disappear.

Unless, then, there is a great corresponding benefit to be derived by the people or some large part of the people, Congress should hesitate before taking such action, and the question naturally arises, What influence and interests are back of the movement to have the tariff removed? It is apparent that the brush maker is the party in interest. The wages of his employees can not be increased by taking off so small a duty as 7½ cents per pound, and hence they will derive no benefit from the same. While these employees will not be benefited, the employees of the bristle factories will lose their places entirely. The consumer of the brush can not be benefited, because it takes only from one-half to two ounces of bristle to make the brush, and hence the actual cost of each brush would be so infinitesimal that no difference in price could be made to the consumer. The issue, then, is simply one between Chinese and American labor, with a very small resultant benefit to the importer of the China bristle or to the manufacturer of the brush therefrom.

Respectfully submitted.

FIELDER C. SLINGLUFF,
For WILLIAM WILKENS COMPANY.

HANLON & GOODMAN COMPANY, NEW YORK CITY, ASKS A SIXTY PER CENT DUTY ON BRUSHES, AND FREE BRISTLES.

NEW YORK, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to Schedule N, paragraphs 410 and 411, relating to the duty on bristles and brushes, we desire to call attention to the following facts regarding the brush industry of the United States:

First. There are between 4,000 and 5,000 men and women employed making brushes in the United States and between 500 and 1,000 making handles, ferrules, nails, tacks, and other materials used in the manufacture of brushes. Of this number, at least 60 per cent are engaged in making small and inexpensive brushes on which the labor and American material figures 80 per cent or more of the cost.

Second. In our factory the average wage of males is $2.58 per day; females, $1.23 per day. No child labor.

Japanese brush factory pays males 50 cents per day, females 15 cents per day, children 5 cents per day.

REPORT ON BRUSH MAKING IN GERMANY.

Brushes are made principally in the territory surrounding Chemnitz. About 50 per cent of the brushes are made in factories and an equal quantity made by the poorer classes in farmhouses and small homes in and around the city.

The plan generally followed is known as the factor system. Men calling themselves factors supply the home brush makers with a stock, such as bone, wooden parts, and bristles. After the brushes have

been made from the raw material they are returned to the factor, who pays the maker for the labor.

Brush makers in Germany (Nuremberg, Brandenburg, Schonheide, and Todtman) earn 7 to 10 marks ($1.68 to $2.40) each per week. In some instances the earnings are as low as 4 to 5 marks (96 cents to $1.20) or 5.76 marks ($1.38), but such instances are rare.

Families compelling the children to assist them in the manufacture of brushes earn from 22 to 27 marks ($4.28 to $6.48) per week. Workers skilled in the manufacture of high-grade brushes earn as much as 30 marks ($7.20) per week. (Extract from the Imperial German Labor Bulletin, February, 1906, p. 122.)

Third. The bristles used in these brushes are entirely foreign, as American bristles are not adapted for this class of work.

Under the present tariff (par. 411) the American brush manufacturer is obliged to pay 7½ cents specific duty per pound. This amounts, on the 2½-inch Chinese bristles, to nearly 47 per cent; on 2¾-inch, about 34 per cent; on 3-inch, nearly 27 per cent.

Fourth. The total importation of bristles from July 1, 1906, to July 1, 1907, was 3,433,941 pounds, of which 1,159,487 pounds were Chinese bristles, or about one-third of the entire importation.

Statistics show that from July 1, 1896, to July 1, 1897, only 108,335 pounds of Chinese bristles were imported, showing an increase of over 1,000,000 pounds in ten years.

Fifth. One-third of the Chinese bristles imported are 2½ inches in length, having an average value in China of 16 cents per pound, on which we are obliged to pay a duty equal to about 47 per cent.

Sixth. The manufactured brushes from which this size alone are made give employment to a large number of people, and the other lengths up to 4 inches a great many more.

Seventh. In 1890 Japan exported less than $1,000 and in 1907 over $400,000 worth of brushes to the United States, an increase of over 4,000 per cent in seventeen years, and they are just commencing to export paint and varnish brushes.

Eighth. The total importation of brushes, on which the duty is now 40 per cent ad valorem, was: July 1, 1897, to July 1, 1898, $745,267; and July 1, 1907, to July 1, 1908, $1,648,310—more than doubled in ten years, owing to free bristles and cheap labor enjoyed by foreign manufacturers.

Ninth. Reasons why American bristles require no protection: (1) In recent years the quantity of domestic bristles has gradually grown less and less, on account of the killing of the hog when it is very young. Before this it is fed up and fattened artificially, so as to make its flesh very tender. This of course does not permit its hair to grow either long or strong. It is consequently short and weak, measuring in the most cases from 1½ to 3 inches in length. Notwithstanding this, it has a merit of its own, presumably brought on by climatic conditions, which make the hair, in spite of its thinness, quite flexible and lively, and useful for valuable purposes on account of this particular distinction. In addition to this comes the important point, its lightness and weight.

Any bristle coming from abroad in the same length and quite as thin would be utterly useless for the same purpose. Consequently American bristles no longer require any protection, as they stand on their own merits and have no competitor, and will command the same price without a tariff as they do with one.

(2) The quantity of the American bristle, on account of the early killing process, has so diminished that the value of its whole product does not nearly amount to the duty paid on the imported bristle, and can not therefore be placed as a protection to a home-grown product. In reality it is to be classed only as a waste in the hog-killing industry, if you consider that the value of the bristles on each killed hog is only from 1 to 2 cents per head. Neither is it to be classed as an industry, for the number of hands employed in its preparation, dressing, etc., do not equal the number of hands employed in one brush factory of moderate size.

The revenue from bristles is of the most insignificant nature compared to other revenue-producing articles. Nevertheless the 7½ cents per pound specific duty is a great handicap in the brush industry of our country, and if it is to expand, bristles should be free and manufactured brushes be protected by a 60 per cent ad valorem duty to help place the American manufacturers on a footing with foreign ones exporting brushes into the United States.

In closing we beg to state we are a corporation, incorporated under the laws of the State of New York, and have no agreement with any competitor regarding the production of brushes or the prices at which they shall be sold, and that we know of no such combination of manufacturers in the United States.

Respectfully submitted.

HANLON & GOODMAN COMPANY,
ERNEST B. WRIGHT, *President.*

MILES BROS. & CO., NEW YORK CITY, ASK A REDUCTION IN DUTY ON BRISTLES AND AN INCREASE ON BRUSHES.

NEW YORK, *November 30, 1908.*

Hon. SERENO E. PAYNE,
Chairman of Ways and Means Committee,
Washington, D. C.

DEAR SIR: Relative to present duty on bristles, as well as the duty on manufactured brushes, would say: The present duty of 7½ cents per pound on all kinds of bristles (whether they cost us from 26 cents to $3 per pound, including said duty) makes our industry pay tribute of said 7½ cents per pound on its raw material, which can not be produced within the United States; in fact, can only be obtained from foreign countries. Therefore, foreign manufacturers have a 7½ cents per pound start and advantage over United States brush makers before touching the raw material.

As to the soft, short hair taken off the swine killed in the United States, it is of little use for brush making, being too short, and goes mostly into curled hair. Also, the number of pounds produced per annum is very small in comparison with the foreign bristles that come into this country per annum for our needs, and which can not be procured elsewhere than from China, Russia, and other cold climates. These China and Russia quality bristles can not be raised in the United States, even if you offered a bonus per pound, as the climate is not here.

Why should 3,433,941 pounds of bristles imported from July, 1906, to July, 1907, be saddled with a duty of 7½ cents per pound for the

sake of protecting, say, 433,941 pounds of soft United States swine hair not fit for 90 per cent of the usages of the United States brush maker, while as a matter of fact the other 3,000,000 pounds imported, saddled with 7½ cents per pound duty, can not be produced at all in the United States or in any other locality in the world, except in the localities in foreign lands where the bristles come from at present?

We plead for a revision of paragraph 411 of old law, as follows:

Bristles sorted, bunched, or bundled, in customary one length to a bunch or bundle, but not in any manner ready to be made into a brush; free of duty.

Bristles of every kind, in small bunches or bundles, ready to be made into a brush, duty 50 cents per pound.

Kassan hair, badger hair, ox hair, fitch hair, mixed hair of all kinds, in small bundles ready to be made into a brush, duty of $1.50 per pound.

As to duty on imported manufactured brushes, we desire it increased from 40 per cent to 60 per cent, owing to vast difference 'twixt American and foreign wages, particularly in toilet and drawn work, such as hair, nail, military, cloth, shoe, hat, and bath brushes. These comprise the bulk of foreign brushes imported 'twixt July 1, 1907, and July 1, 1908, $1,648,310. We have a case in sight where a customer sent our $6 per dozen hairbrush to Germany and had similar brush supplied for around $5 per dozen, including the present duty of 40 per cent, and we lost further orders and labor for our factory.

Another instance, this year we made a solid back hairbrush similar to English made brushes that are used at Waldorf-Astoria Hotel, New York City, but did not get the business (as the material and labor in our brush cost $26.58 per dozen, and could not be sold for less than $32 per dozen), as New York City wholesale drug houses sold the English brush at $27 per dozen.

Now, as to price of labor, we learn Japan males receive 50 cents per day; females, 15 cents per day; children, 5 cents per day. This nationality is shipping to-day into the United States thousands of grosses of brushes per annum, and it will need a duty of at least 80 per cent to start the American manufacturer competing with the Japanese.

Same way with wages in England, France, and Germany being much less than United States.

This firm pays as high wages as paid in the United States for making toilet work; take hair and military brushes, skilled borers on steam machine, at 13 to 15 cents per 1,000 holes, can not earn over $18 to $20 per week, while draw hands (putting bristles in the holes of hairbrush block), at 35 to 40 cents per 1,000 holes, can not earn over $8 to $12 per week; both occupations tedious work and uninviting for future learners, and owing to quantity of foreign brushes coming in yearly it is hard work to give steady employment to all our hands continually through the year; therefore, if our people want foreign brushes let them pay a good, round figure for them, say a duty of 60 per cent or more; in meantime the American makers will be forging ahead, competing and chewing one another up, safeguarding the American public from being overcharged and the American brush maker getting too wealthy, but as "employment" is the foundation of all happiness and contentment, give the working people of the

United States every chance for steady work. Any increased price they pay for a United States made article of any kind is vastly overbalanced by having employment 313 days per year instead of 250, or less, days work per year.

Respectfully submitted.

MILES BROS. & CO.,
Manufacturers of brushes.

RENNOUS, KLEINLE & CO., BALTIMORE, MD., ASK PROTECTION FROM JAPANESE COMPETITION IN BRUSH TRADE.

BALTIMORE, *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Rennous, Kleinle & Co., of Baltimore, are manufacturers of brushes, our specialty being those for the paint, oil, and varnish trade, but we also manufacture brushes for household uses. Heretofore we have been but slightly affected by the 40 per cent ad valorem duty; but there exists at the present time a very large and strong combination of brush manufacturers in Germany who are now represented in the United States, and are quite a factor in the paint and varnish brush business.

In recent years Asiatic competition in toilet brushes has almost driven certain manufacturers of American made toilet brushes, especially hair, tooth, and nail brushes, out of business. It is impossible to inquire of a retail dealer of tooth brushes in the United States where you will not find in his stock tooth brushes "made in Japan." They are now commencing to manufacture the cheaper grades of paint and varnish brushes in imitation of American goods in which the shorter lengths of Chinese bristles are used. Labor is the greatest item of cost in the manufacture of cheap brushes, and where the foreign wage amounts to about one-fifth of what we pay for the same kind of labor in the United States, it must be evident that 40 per cent is not a sufficient duty on brushes. When it is taken into consideration that, in addition to the difference in the cost of labor, they have the still further advantage of bristles costing them at least 33⅓ per cent less than ours cost on the same lengths and qualities, it is evident that we are placed at a great disadvantage.

During the past four weeks we have had 138 employees in our factory engaged in the manufacture of brushes, as follows:

		Average wage.
59 men	per day	$2.43
30 boys	do	1.00
49 females	do	.78

Japanese brush manufacturers, we learn, pay the following average wage:

		Cents.
Males	per day	50
Females	do	15
Children	do	5

We are safe in stating that during the past five years our company has used ten pounds of Asiatic or black Chinese bristles to one pound of European, or Russian, German, and French bristles.

Our percentage of purchases for the past five years on Chinese bristles was as follows on the following sizes:

Length ——— inches	2½	2¾	3	3½	3½
Purchases in pounds ——— per cent	30	17	21	17	15
Average cost to us (during past 5 years) ——— cents	29½	39½	46	56⅝	76
Less 7½ cents per pound duty ———	7½	7½	7½	7½	7½
Foreign value ——— cents	21⅝	32	38½	49⅞	68½
7½ cents per pound equals ——— per cent	34⅜	23⅞	19½	15¾	11

The above are the sizes which are used in the cheaper grades of brushes.

This shows that the present duty imposed is in our judgment excessive. In view of the fact that the small quantities of American bristles produced is inadequate, as well as entirely unfit for use in paint and varnish brushes, we can see no reason why the present duty, or any duty whatsoever, should be placed upon bristles.

There is no combination or association of brush manufacturers in the United States for the purpose of controlling production or regulating prices. Competition is very keen, profits are small, and it will be a great advantage to the consumer should the duty be taken off on bristles. The foreign brush manufacturer has the advantage of not only a lower wage base, but also of his bristles free of duty.

The following statement shows a large yearly increase of Chinese bristles exported from Tientsin:

Year.	Cases of 112 pounds each.	Pounds.
1900	8,000	896,000
1901	11,000	1,232,000
1902	14,000	1,567,600
1903	15,300	1,713,600
1904	14,954	1,674,848
1905	11,326	1,268,512
1906 *		
1907	18,719	2,096,528
To July 23, 1908	9,490	1,062,880

* Impossible to procure data.

In the year 1907, out of 18,719 cases, of 112 pounds each, a total of 2,096,528 pounds, the United States took 13,891 cases, or 1,555,792 pounds, over 74 per cent of the entire quantity exported from the port of Tientsin alone.

Direct shipments are also made from Newchwang, Chungking, Hankow, and other Chinese ports, but I have not been able to obtain the figures from the last-named cities.

A normal assortment, as exported from China, consists of 66 cases of 110 to 112 pounds each, or a total of about 7,260 pounds, as follows:

Length ——— inches	2½	2¾	3	3¼	3½	3¾	4	4¼	4½	4¾	5 to 6
Cases	23	7	8	7	5	4	3	2	2	1	4

Total, 66.

Thus it will be seen we have about 35 per cent (2,530 pounds) 2½ inch, present price of which is 30 cents per pound, but the average price during the past five years to the American manufacturer has been about 29 cents per pound, on which 7½ cents per pound specific is equivalent to 34⅜ per cent duty on price laid down in England or

Japan; or, deducting 7½ cents per pound duty and allowing 2½ cents for transportation charges and insurance and 2 cents per pound profit to the importer, it is safe to assume that the 2½-inch length is worth to-day about 18 cents per pound in China or Japan. It is therefore evident that the same bristle, under the present 7½ cents per pound specific duty, is now costing the United States manufacturer about 60 per cent more than the Japanese brush manufacture. We would suggest that Schedule N, paragraph 410, should read: "Brushes, hair pencils, in quills or otherwise, 50 per cent ad valorem."

Please note we have omitted brooms and feather dusters of all kinds, for the reason that, in our opinion, these items belong to an entirely separate and distinct industry, and should not be classed along with brushes and hair pencils.

Paragraph 411, "Bristles, sorted, bunched, or prepared on free list."

In conclusion we wish to state that we are an incorporated company, with a capital stock of $175,000, of which amount $97,500 is invested in plant, machinery, tools, and fixtures.

We have from 125 to 150 employees, and our products are distributed in nearly every State in the Union.

Respectfully submitted.

WM. P. BIGELOW, *President.*
RENNOUS, KLEINLE & CO.,
Baltimore, Md.,
Manufacturers of Brushes.

DIXON & RIPPEL, NEWARK, N. J., APPEAL FOR FREE BRISTLES AND AN INCREASE OF DUTY ON BRUSHES.

NEWARK, N. J., *November 30, 1908.*

Hon. SERENO E. PAYNE,
Chairman, House of Representatives,
Washington, D. C.

DEAR SIR: As manufacturers of brushes and users of bristles, we believe that brush manufacturers generally throughout the United States require an increase in the duty on manufactured brushes; also that bristles should be placed on the free list.

Schedule N, paragraph 410, of the present law gives the duty on brushes as 40 per centum ad valorem. This should be increased to at least 50 per centum ad valorem.

Our reasons for recommending these changes are, briefly stated, as follows:

The importations of foreign brushes during the past eleven years have increased each year from $745,267 (July 1, 1897, to July 1, 1898) to $1,648,310 (July 1, 1907, to July 1, 1908).

The difference in wages to labor is so greatly in favor of the United States that a comparison seems ridiculous. For instance, employees in Japanese brush factories are paid an average of: Males, 50 cents per day; females, 15 cents per day; children, 5 cents per day.

Our cost of production is large owing to the fact that, in addition to paying the highest wages, we use (outside of bristles) materials which are made and produced in the United States, for which we pay regular market prices.

Schedule N, paragraph 411, of the present law gives the duty on bristles sorted, bunched, or prepared as 7½ cents per pound. This should be entirely removed and bristles allowed to come in free of duty in order to allow us to compete with foreign nations, especially Japan, which does not pay any duty on bristles.

Trusting for favorable action in the matter, we remain,

Yours, very truly,

DIXON & RIPPEL, *Manufacturers of Brushes.*

LANSINGBURG, N. Y., BRUSH MANUFACTURERS SUGGEST NEW CLASSIFICATIONS FOR BRUSHES AND BRISTLES.

LANSINGBURG, N. Y., *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned manufacturers of brushes, in which of materials used bristles are the chief component part, and on which the duty of those imported is 7½ cents per pound, would respectfully state that the hogs in our country being young and fat when slaughtered, their bristles are quite soft and short, and therefore of but little value as compared with the stiff and long bristles that are imported, and that probably not over 1 per cent of our American bristles are over 3 inches in length.

Crude bristles are in free list, No. 509, but scarcely any such are imported, as it is found best at about time of gathering to then sort the different colors and lengths and to bunch them by tying with twine or bark so as to tightly pack in casks.

We would, therefore, respectfully request that in the proposed revised tariff bill bristles read as per below:

Schedule N: Bristles, 3 inches and under in length, 7½ cents per pound.
Free list: Bristles, upward of 3 inches in length.

E. & C. Wood Co., C. Wood, president; Greenburg & Morse; Wm. J. O'Brien Brush Co.; Empire Brush Co.; F. M. Hoyt & Bro.; O. Dennin's Sons; Monarch Brush Co.; A. L. Sonn Brush Co.; Hiack Bros.; John G. O'Bryan.

WALKER & GIBSON, OF ALBANY, N. Y., OPPOSE ANY INCREASE WHATEVER IN THE DUTY ON BRISTLE GOODS.

ALBANY, N. Y., *December 1, 1908.*

Hon. S. E. PAYNE,
Washington, D. C.

DEAR SIR: We notice that some of the manufacturers of brushes in our State are trying to have an increase made in the tariff on bristle goods. It seems to us that this is quite unnecessary, as the present tariff is high enough to protect any manufacturer who is worth thinking about. We purchase a large amount of these goods during the year, and we believe that any increase in the tariff would be a hardship not only to the dealers but on the general public who

use these goods. Every person who buys a toothbrush or hairbrush would immediately feel the increase if the tariff should be changed.

We hope that you will consider this matter from our standpoint and not allow the advance to be made.

Yours, very truly,

CHARLES GIBSON, *President.*
WALKER & GIBSON,
Wholesale Druggists.

JOSEPH C. BONNER, TOLEDO, OHIO, RECOMMENDS THAT BRISTLES USED IN MAKING BRUSHES BE PLACED ON FREE LIST.

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

SIRS: I beg to submit a plan for reconsideration under tariff Schedule N, paragraph 411, Bristles, and to recommend that same be changed from duty rate of 7½ cents per pound to the free list.

Reference for statements of fact is had to brief filed by the petitioner on schedule, subject, "Sundried N, Brushes," 410.

In the brush art, bristles are the essence of the produced brush article. The world's supply of bristles is never equal to the market demands. In consequence, fiber substitutes are utilized, adulterations by every possible method are resorted to for materials demanded in the completed brushes for needed consumption.

Again, foreign hog bristles to-day in variety and quality much surpass the American hog variety. This feature is patent to any informed farmer boy. The domestic pig of the United States is killed on reaching age of eight to eleven months. Its hair, if any, is fine, curly, and short, not adapted to any brush use, except in connection with making of the cheapest brush varieties.

The American brush producers seek all the important countries of the world for bristle supplies, principally Russia, France, India, and China. This hair is largely the bristle of the wild hog, and is found by peasant children, gathering same in the wilds of the forests, where the hog in his wanderings finds a log or a rock for a rubbing place to shed and rub away his shedding hair.

Manufactured bristle is scarcely understood, for in reality all bristle in market is raw, figuratively. Hair when bought is tied in bundles straight; such is dutiable at 7½ cents per pound; hence bristles should be placed on free list—

First. For the reason that 35 cents per pound in labor is placed on the bleached stiff article before it is ready for the intended brush. This process in more detail is known in the trade—washing, tying, drying, bleaching, sorting, or dragging (to like lengths), picking as to colors, sieving or turning, cutting, mixing, shaking, and tying. This procedure is rarely if ever had prior to importation of bristles.

Second. Foreign bristles do not in any sense compete with the American variety in color, stiffness, length, hence as to quality.

Third. Since the foreign-variety bristle can not be American produced it is a basic principle of the tariff-making body to give to American manufacturers free all raw materials not procurable in this country.

Fourth. Bristles should be on free list because brush manufacturers must now and do employ lowest wage-labor scale known in this country to enable them to endeavor to compete with like kind of foreign cheapest wage-scale labor.

Fifth. American bristles will continue in demand at advanced prices, more than duty compensation of 7½ per pound, because of scarcity of raw hair.

Respectfully submitted.

Jos. C. Bonner,
President Ames-Bonner Company,
Brush Manufacturers, Toledo, Ohio.

COL. ALBERT CLARKE, BOSTON, MASS., SUBMITS ADDITIONAL STATEMENT BY JOHN L. WHITING-J. J. ADAMS CO., BOSTON, RELATIVE TO ENGLISH BRUSH MAKING.

Boston, *December 2, 1908.*

Col. Albert Clarke,
Hotel Hamilton, Washington, D. C.

Dear Colonel: I told you when there that I had a clipping which referred to British Brush Association or combination. Inclosed please find same. Some of its purposes are contrary to our laws and could not be entertained here, but you will see that there is a close association there for specific purposes that are not in the interest of free competition. There is nothing of the kind in the United States. You will also notice that in Mr. Kent's letter he congratulates himself on the quantity of their brushes that they are selling in the United States, and well he may, for they sell large quantities of toilet brushes here, all of which ought to be made by American brush manufacturers.

I find also a clipping in reference to wages of English brush makers, which are much lower than they are in the United States, and even these low rates of wages are much higher than those paid in France, while the Austrian wages and German wages are much lower than the French and English. The Japanese wages to brush workers are very much lower than in any other part of the world, and as you know, they are sending to the United States now something over 25 per cent of all of the imported brushes.

If you think it advisable to file this letter and clippings, please do so.

Very truly, yours, Lew C. Hill, *President,*
John L. Whiting-J. J. Adams Co.

Exhibit A.

[From Brooms, Brushes, and Handles, March, 1908.]

Members of the British brush trade have recently made a move in which this paper thinks American brush makers would do well to follow their example. This is in the formation of the British Brush

Manufacturers' Association, which has been organized within the past few months. Ernest N. Kent, of the prominent London brush concern of G. B. Kent & Sons (Limited), is president of the new association, A. L. Burrow and R. W. Chase are vice-presidents, C. Hamilton Watkins is honorary treasurer, and T. M. Till, secretary.

Writing of the association under date January 31, Mr. Kent says:

Editor BROOMS, BRUSHES, AND HANDLES:

It will probably interest your readers to learn that an association has just been formed of the brush manufacturers of Great Britain and Ireland.

I inclose you the rules of the association, which explain themselves. These are the proposed rules as put before the meeting by a provisional committee appointed to draw them up, and they were carried as they stand with one slight alteration (which I have marked).

Although some time ago there was a society of master brush manufacturers in this country, it was chiefly composed of a few of the largest makers, and its objects were principally to deal with disputes with workmen. This old society ceased to exist, for the reason, I suppose, that over here the relations between masters and men in our trade are so amicable, and no meetings have been held for several years.

The new British Brush Manufacturers' Association has sprung into being from no thought whatever of coming trouble with workmen, for, to use the words of the King's speech (slightly altered), "Our relations with our employees continue to be friendly;" but you will observe from the "objects" of the association that there are other matters which might be discussed between masters for the benefit of all concerned.

If you have any such association of the trade on your side of the Atlantic, I should be very pleased to hear of it, and exchange notes at any time.

Your valuable paper, Brooms, Brushes, and Handles, comes regularly to hand each month, and is read with interest by yours truly. It is amusing to note how airily and breezily your manufacturers talk of their trade and their doings to your interviewers or correspondents. Here when we are booming we say "We mustn't complain" (and we sometimes say it when we are not). That is about as much as one brush maker hears of his friendly opponent's business.

If you would like to hear a word about the business of my company, G. B. Kent & Sons (Limited), I will tell you that 1907 has been kinder to us than three or four of its predecessors, and, in spite of a mild protection of only 40 per cent ad valorem, the demand for our excellent productions by your hospitable country shows a record during those twelve months.

In this respect, whether the palm goes to the excellence of the wares or to the push, grit, and business acumen of our very good friends, Messrs. McKesson & Robbins, of New York, our sole agents, is a moot point—but we are both pleased.

Wishing your publication all success, I am, yours faithfully,

G. B. KENT & SONS (LIMITED).
ERNEST N. KENT,
President British Brush Manufacturers' Association.

The rules of the new association are here given, with the idea that they may be of interest to American brush manufacturers and may perhaps incline them to "go and do likewise." They are as below:

Name: The name of the association is "The British Brush Manufacturers' Association."

Offices: The offices for the business of the association shall be situated in London.

Objects: The objects for which the association are established are:

(*a*) To maintain in London an association of brush manufacturers, which will, as occasions arise, organize, promote, and deal with all matters in any way affecting the interests of the members of this association and the brush trade in general.

(*b*) To make and define rules and regulations, to obtain uniformity in wages and customs in the brush trade, and to establish just and equitable principles therein.

(c) To protect and safeguard the interests of the members of the association and trade generally upon such matters as disputes with workmen, selling prices, government and other contracts, insurances, legislation and arbitration, the standardization of weights, and the proper description and marking of goods.

(d) To establish a clearing house among members of the association for surplus raw materials.

(e) To collect information as to the credit and standing of the traders for the benefit of the members of the association and to assist them in the collection of accounts owing to them.

EXHIBIT B.

WAGES OF ENGLISH BRUSH MAKERS (AUGUST, 1907).

R. E. Graves, chief home office factory inspector at Birmingham, England, gave evidence before the parliamentary committee on home work, and in reference to the brush-making industry at Birmingham he said there had been a great increase in the use of machinery in this trade, and home work was decreasing. The only branch of the trade in which there was home work was that where pitch pans had to be used. The wiring was not done by hand. He considered this was a sweated trade, especially as regards the cheaper classes of brushes.[a] The pay was at the rate of 5½ pence to 7 pence per 1,000 holes, and it took a worker four hours to do 1,000 holes. Most of the home workers in this trade were men. They had to buy their own materials, and the prices of these had gone up 40 or 50 per cent. In the French polishing a man could earn from 10 to 12 shillings per week.[b] The prices of material in this trade had largely increased. He had been told of a case where a man and his wife earned 30 shillings ($7.50) a week between them, and the man said that twenty years ago he could have earned that amount himself. The decrease in the wages was due, to some degree, to keener competition.

BRUSHMAKERS' INTERNATIONAL UNION, WEST HOBOKEN, N. J., ASKS RETENTION OF PRESENT DUTIES ON BRUSHES.

WEST HOBOKEN, N. J., *December 4, 1908.*

COMMITTEE ON TARIFF REVISION.

DEAR HONORABLE SIRS: At a meeting of Local No. 2, Brushmakers' International Union, held on December 1, 1908, I was instructed to write to your honorable body in behalf of a body of men (between four and six thousand) who are employed in this country at the trade of making paint, varnish, artist, and what is know as "draw-work" brushes. Our trade exists from the fact that a protective tariff prevents foreign competition, and a reduction in the duties as they stand upon the statutes to-day would mean a speedy demoralization of our trade. As it is there is coming into our country to-day many styles of brushes which could be made here, but owing to the fact of

[a] Wiring bristles into brushes in the United States costs three to four times prices named herein.

[b] French polishing workers are paid in the United States $18 and over per week.

the cheap labor in other countries we can not compete with them. So we petition your honorable body to continue the duty upon brushes as it stands to-day, and if we are permitted we would suggest that the duty on raw bristles be reduced, because of the fact that about nine and one-half tenths of the bristles used in this country in the making of brushes are imported from the other side, as the American bristles have not the qualifications that are required in the making of a brush to be used in paint, varnish, and artist work, and we would further suggest that if our petition be granted in regard to the aforesaid suggestion that such a reduction be added upon the duty of brushes, for by so doing the cost of brushes could be reduced without interfering with the cost of making them as far as the brush maker is concerned.

I am, respectfully,

PETER F. BISCHOFF,
Secretary Local No. 2, Brushmakers' International Union.

STATEMENT OF HENRY ALEXANDER, No. 371 BROADWAY, NEW YORK CITY, PRESIDENT UNIVERSAL BRUSH CO., OF TROY, N. Y., WHO ASKS REMOVAL OF DUTY FROM BRISTLES.

MONDAY, *December 7, 1908.*

Mr. ALEXANDER. Mr. Chairman and gentlemen of the committee, I propose to restrict my argument to the removal of the duty on bristles, paragraph 411.

I appear here, as a manufacturer of toilet brushes, to request the removal of duties on bristles as specified in paragraph 411 of Schedule N. In this request I am joined by every manufacturer of brushes, of whatever kind, in this country, as the different briefs filed with your committee ably show.

The CHAIRMAN. The paragraph reads, "Bristles, sorted, bunched, or prepared 7½ cents per pound." You are speaking of the sorted article?

Mr. ALEXANDER. That is, prepared bristles ready to enter the brush industries, as I will show you in a moment.

Now, gentlemen, the brush industry in this country is by no means a negligible quantity. We import and we consume over three and a quarter million dollars of imported bristles annually, and the output is certainly not less than $8,000,000 per year. And I want to say that there is a distinction between brushes and such articles as brooms, though I believe they are classed together by your bureau of statistics, so that the figures are perhaps not exactly as correct as I would like to see them. But the brush industry, such as the clothes brush, the paint brush, etc., amounts to about $8,000,000 to $10,000,000 a year. This industry employs thousands of American work men and women at living wages, though smaller than that paid in many other industries. It is scattered all over the country, is free from any combination of capital, is not in any trust, and it is entitled to your very earnest consideration. Brushes are an absolute household necessity in a civilized country like ours, and every one of you gentlemen has a toothbrush for himself and for all members of your family; you all have several hair brushes in your households, also a clothes brush, a shoe brush, etc.

Now, it is the aim of the American manufacturer to make these brushes in this country, and the first obstacle that greets him is the tariff on his most necessary raw material, bristles.

The CHAIRMAN. There is a tariff of 8.03 cents—8 per cent.

Mr. ALEXANDER. I think I can enlighten you upon that.

The CHAIRMAN. And there are $3,000,000 worth imported?

Mr. ALEXANDER. Three and a quarter million dollars' worth, and that turns out about $8,000,000 to $10,000,000 worth of brushes.

The CHAIRMAN. Three million dollars' worth of bristles, sorted and prepared, paying a duty of 8 per cent—that is a low duty?

Mr. ALEXANDER. If you will allow me to go on with my argument, I think I can show that it is a high duty. With the exception of an insignificant quantity, all bristles that enter into the brush industry have to be imported from abroad and do not come at all in competition with the domestic article. We have none at all, because the hogs are usually killed at the age of 6 to 8 months, and they are killed for the tenderness of their meat and not for their bristles.

Paragraph 411 places the uniform duty of 7½ cents per pound on bristles, irrespective of their cost and length.

It may not be known to your committee that bristles such as enter into brush making run all the way from the low price of 17 cents per pound to $6 per pound and over. All the cheap grades of bristles are brought in here from Chinese ports, and the figures of the Bureau of Statistics show that in 1907 out of a total of 3,433,941 pounds of bristles brought into this country, 1,195,390 pounds were brought in here from Asia, or slightly over one-third of the quantity of all the bristles imported, leaving 2,238,183 pounds from Europe. In other words, for every 2 pounds of bristles that Europe exported into this country China exported 1 pound to us.

When we turn, however, to the value of these bristles, a very much more striking picture is presented to us. The two million and odd pounds of European bristles were valued at $2,571,805, averaging $1.10½ a pound, whereas the one million and odd from China were valued at $684,546; or an average of about 57 cents a pound, just about one-half the value of the European bristles per pound.

This, however, is not yet a fair statement of the cost of these Chinese bristles, inasmuch as bristles are sold by lengths, and the longer bristles are comparatively very much higher than the shorter lengths.

Now, the great bulk of Chinese bristles consumed by the brush makers consists of the short lengths of 2-inch, 2¼-inch, and 2½-inch, such as I am showing here by samples before me. These short lengths are bought here duty paid at an average of 25, 26, and 27 cents per pound; or, in other words, they are bought in the markets of London and Hamburg, to which ports all these China bristles are originally consigned, at 17, 18, and 19 cents per pound. Your committee will therefore readily see that the actual duty on these short-length bristles, which form 40 per cent of all the Chinses bristles used by the brush makers in the United States, is no less than 45 per cent and 40 per cent on their cost in Europe, or fully an average of 42½ per cent on the above three leading lengths. And this is the hardship and handicap of which the manufacturers ask your honorable body to relieve us.

I shall now apply a few minutes of my time to the particular branch of the brush industry which I represent, and which is almost an exclusive user of short Chinese bristles.

Mr. UNDERWOOD. You say that all of the bristles used in the brush manufactories of this country are imported from abroad?

Mr. ALEXANDER. All the bristles that are used in the toilet brush, the paint brush, the shoe brush, and the clothes brush industry are imported bristles. We do not make any distinction in this country upon articles using bristles—we call everything a brush. We call the little brush with which we clean the lamp chimney a "brush," while it really is not a brush. That may have a soft bristle in it which does not enter into our industry at all.

The CHAIRMAN. The finer bristle comes from North Poland, the north of Russia, Finland, does it not?

Mr. ALEXANDER. Yes; from the coldest countries in the world; the colder the country the stiffer the bristle. The Siberian bristle is a very good one.

The CHAIRMAN. And a very good quality of bristle comes from China?

Mr. ALEXANDER. Only a medium quality comes from China. The best comes from Siberia, Manchuria, and Poland.

The CHAIRMAN. The best comes from there, but a fair quality comes from China?

Mr. ALEXANDER. And the very cheapest comes from China.

The CHAIRMAN. Still, when you take them altogether they average a dollar a pound.

Mr. ALEXANDER. But the proportion is so entirely different. You do not distinguish between lengths, Mr. Chairman. That is the sort of bristle [handing a sample to the chairman] of which 40 per cent of all the Chinese bristle that comes in here is constituted.

The CHAIRMAN. Is not the business of sorting bristles carried on in this country?

Mr. ALEXANDER. There is some.

The CHAIRMAN. Twelve years ago they represented that it was quite a large industry, although I do not know anything about it.

Mr. ALEXANDER. Were you speaking of sorting foreign or domestic bristles in this country?

The CHAIRMAN. I do not know which, but there are hardly any foreign bristles imported excepting the sorted, are there?

Mr. ALEXANDER. Excepting they are dressed, because they can do it cheaper over there than we can here.

The CHAIRMAN. Looking back to see what the importations were prior to that, I notice that in 1894 and 1895 the sorted bristles were 10 cents a pound, and we imported in 1894, 592,000 pounds, while in 1907 only 11,000 pounds. The sorting of imported bristles was much larger then than now. The whole importation was included in 1894, sorted and unsorted.

Mr. ALEXANDER. We are bringing over no unsorted bristles, because the labor would be too expensive to put the butt ends together.

The CHAIRMAN. The sorted bristles, in bunches, 7½ cents a pound, which amounts to from 7 to 8 per cent in the last twelve years.

Mr. ALEXANDER. Yes; bristles as a revenue producer are not much of an item.

The CHAIRMAN. And they are valued at $1 a pound, sometimes over and sometimes less.

Mr. ALEXANDER. That is really misleading, because you can not average them.

The CHAIRMAN. There is no particular reason in misstating the value of an article imported where the duty is specific.

Mr. ALEXANDER. That is why I am glad of having the opportunity of presenting it to you, because, as I stated, an average is not proper. It would take 36 pounds of Chinese bristle at 16 cents a pound to average 1 pound of Siberian bristle at $6 a pound. That is not an average.

Our factory is located at Troy, N. Y. We employ about 250 workmen, and our output is from 12,000 to 15,000 brushes per day. We make hair brushes and cloth brushes exclusively, and the greatest quantity of these are brushes that are bought by the great bulk of the American people at the retail price of 10 cents a piece.

I have here with me two brushes, a hair and a cloth brush, which can probably be found in almost every 5 and 10 cent store in this country, as well as on the shelves of most country merchants, and this particular hair brush was bought at 10 cents in a store here on Seventh street. It was by the most improved machinery and all the labor-saving devices only that we could originate that a brush could be placed in the merchant's hand at 7 cents apiece, to enable him to sell the same over the counter in single pieces at 10 cents.

Now, these brushes are made exclusively of Chinese bristles of 2 inches and 2¼ inches in length, although we are occasionally obliged to buy the 2½-inch lengths when the shorter lengths are not obtainable. I now lay before your committee the actual cost of these brushes.

The CHAIRMAN. If we take the duty off of bristles, how much reduction will you stand on the brushes, which is now 40 per cent?

Mr. ALEXANDER. If you take off the duty on the bristles in this brush [indicating] it will make a difference of from 2½ to 3 cents less a dozen, and that is an item.

The CHAIRMAN. What is your price per dozen?

Mr. ALEXANDER. The price of this particular brush is 7 cents apiece, and the retail merchant retails them at 10 cents. That will show you the margin.

The CHAIRMAN. Well, I think they would still retail at 10 cents if you took off the 3 cents per dozen on the price.

Mr. ALEXANDER. Now, I wish to touch on the question of labor.

It will be found that the cost of the bristles contained in the hair-brush amounts to 16 cents a dozen, and the cost of the bristles contained in the cloth brush amounts to 18 cents a dozen. For these bristles we are taxed 40 and 45 per cent at the port of entry here, inasmuch as the Hamburg or London price for these two lengths is 17 and 18 cents per pound. Now, manufacturers must protect their operating expenses, and they are certainly entitled to a legitimate profit on their investment or they can not continue to exist. The next two items are, of course, material and labor, and the more the manufacturer has to pay for the cost of his material the smaller is the balance left to apply to the cost of labor.

Now, gentlemen, I do not appear here purely as a pleader for the laboring man. I have a considerable amount of investment to pro-

tect, and I have to see to it that this investment yields fair and remunerative returns, but I do not hesitate at all in making the positive statement that whatever additional cost, through the imposition of an import tariff, is placed upon raw material comes directly out of the pockets of the laborer.

Your manufacturer, as before stated, has to protect himself. He has to make enough out of his product to cover his operating expenses, and these are rigid. He has to make a legitimate profit on his investment or he does not stay in the industrial field. He has to pay a certain price—the lowest that he possibly can—for his material, so that this item is rigid. Hence the only elastic item left to him is the cost of the labor, and the larger the cost of his raw material the smaller is the margin left over for labor.

We must always remember that European, and of late Japanese, competition is fiercely knocking at our door. Commodities that retail at 10, 25, 50 cents and $1 have a fixed jobbing price. No merchant will pay more than this limit. For instance, you take the 10-cent article that I have here placed before you, and the utmost price that can be obtained from the retailer is 7 cents apiece. For out of the remaining 3-cent profit he has to cover his rental and operating expenses, his living expenses, and whatever may be left as interest on his investment. This 7 cents apiece is equivalent to a price of $10 per gross.

Now, you deduct $1 from this sum as profit and take out of the remaining $9 your operating expenses, which in a well-organized factory are never less than 20 per cent of the cost of the goods, and it leaves just $7.20 per gross, or 60 cents a dozen, for the actual cost of labor, material, packing and boxing of this brush. The material is represented by 36 cents per dozen. This leaves the margin applicable for labor, which includes the shaping of the raw wood into the proper handle, the inserting of the bristle, the smoothing and sand wheeling of the block, the painting and varnishing, packing and boxing, at 24 cents a dozen, or 2 cents a brush. The moment that the labor on this brush goes beyond the figure here given by me we will be unable to longer make the brush at the present price, and the foreign brush will have the American field to itself.

The CHAIRMAN. Sixty per cent of the cost is material?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. Forty per cent is labor?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. Of that material what profit is in the bristle? That is the greatest cost, isn't it?

Mr. ALEXANDER. One-half. There are 18 cents' worth of bristles in there [indicating] per dozen, and there are 18 cents' worth of other material in there to make this into a brush.

The CHAIRMAN. Then 30 per cent of the cost is bristle. Is that with reference to this particular kind of brush, or will that run through all of your manufacture of brushes?

Mr. ALEXANDER. Oh, no.

The CHAIRMAN. I suppose in the high class of brushes, where you get your higher prices, the bristle is a much larger percentage of cost?

Mr. ALEXANDER. Very much.

The CHAIRMAN. In the higher priced goods, what is the percentage of cost in the bristles to the whole cost, including the labor and other material; it is a good deal higher, isn't it?

Mr. ALEXANDER. A good deal higher.

The CHAIRMAN. Seventy-five per cent?

Mr. ALEXANDER. No; but it will run from 50 to 55 per cent, about.

Mr. LONGWORTH. Are some of these brushes made by prison labor?

Mr. ALEXANDER. Very little in this country. The prison-labor brushes are largely brought in here from abroad, largely from Germany.

Mr. LONGWORTH. Are they this class of brush or inferior?

Mr. ALEXANDER. A very inferior brush; they are usually an inferior brush. The total of imported brushes is $1,600,000 of the finer brushes.

Mr. RANDELL. You say the cost of the bristle will be about 55 per cent of the value of the brush and material?

Mr. ALEXANDER. Fifty-five per cent of the first cost, before you add the operating expense, your profit, and all that sort of thing.

Mr. RANDELL. You said that the material was 60 per cent and the labor 40 per cent, and that the bristles in the ordinary brush was 50 per cent of the material. That would be 30 per cent. The chairman asked you if in fine brushes there would be a greater percentage in the bristles and you said yes, and you said it would be about 55 per cent. Does that 55 per cent take the place of the 30 per cent?

Mr. ALEXANDER. Yes, sir.

Mr. RANDELL. Is that 55 per cent of the whole cost, or of the material?

The CHAIRMAN. The bristles in the cheaper brushes are so much cheaper that the percentage of cost is smaller, is it not; and in the higher price brushes it is higher? You said that bristles from China were imported at about 20 cents a pound, while from the north of Europe and from Asia they run from a dollar up.

Mr. ALEXANDER. In the bristles in here [indicating], they would cost us 24 cents, and they would not be a cent more labor——

The CHAIRMAN. As to your percentage, the 55 per cent would be 55 per cent of what, the total cost of the brush?

Mr. ALEXANDER. Yes, sir.

The CHAIRMAN. What percentage of labor is in the brush, where the bristles cost 55 per cent? The high-class bristles you say is 55 per cent; is that the bristles entirely? What is the percentage of labor cost there, and the percentage of the other material?

Mr. ALEXANDER. The other material would probably cost about 10 per cent additional, from 10 to 15 per cent. That would be about 30 per cent labor. The labor in this brush [indicating] would not cost 1 cent more with $3 bristles than 25-cent bristles, so that it is the better bristle that changes the proportion of cost.

Now, here is my point. The bristle contained in a dozen of these brushes amounts to 4 and 7 ounces, respectively. Were the duties on the bristles removed, there would be freed the sum of 2 and 3½ cents per dozen. This particular sum so saved would probably serve two purposes. It would fortify us better against the foreign brush, which is coming in and competing with us, and to which I will later devote one minute of my time, and it will allow a somewhat more liberal remuneration for labor. Two cents and 3½ cents a dozen

may sound little, but when a man will produce 30 dozen of a brush, if we could add 1 cent per dozen to his labor on that 30 dozen, that would mean 30 cents, and it would be an item. That is my reason for asking the removal of the duty on bristles, in order to secure a better class of American workingmen, and pay them a little more. I have not come here to ask an increase of the duty on brushes. My whole argument is based upon the removal of the duty on bristles. It is not a revenue producer to the Government. Your whole revenue derived last year did not amount to $260,000.

Mr. RANDELL. If this duty is allowed to remain, can you give more to labor than you are giving?

Mr. ALEXANDER. That is my argument.

Mr. RANDELL. Then why did you not do it before?

Mr. ALEXANDER. Before when?

Mr. RANDELL. You say that if this tariff will remain as it is you can give more than you have given to labor. You have had the tariff; why did you not give it?

Mr. ALEXANDER. I think you misunderstood me. I say that if the tariff on bristles is removed, it may sound little when we talk of 2 cents a dozen and 3½ cents a dozen, but it does not sound little to the workingman, for it may mean an increase of 25 cents a day to him, and that is something, especially in the towns where the brush industry is all there is there.

As for the possibility of exporting our goods, it stands to reason that we have no possible chance of competing with foreign brush makers. These obtain their supply of low-priced bristles free from an imposition of a 40 to 45 per cent duty. They are thereby enabled to undersell us wherever we have made the attempt to market our brush, whether in Australia, South Africa, South America, or in England.

How close this competition is I desire to illustrate by a brush given us by an importer. This brush [indicating] he brings into this country, with 40 per cent duty paid, at 12 cents each, the brush being sold in Europe at 8½ cents. With this brush [indicating] we can not compete. The brush contains 2 pounds of bristles per dozen, and on this 2 pounds of bristles we have to pay 15 cents duty before we can make it into a brush.

The CHAIRMAN. This is a pretty fair bristle in this brush, is it not [referring to a brush that has been handed him by the witness]?

Mr. ALEXANDER. You do not make any difference between the poor and the good bristles. They are all alike. That is not anything that we can avoid or help.

Remove this duty on bristles and I for one will feel better fortified to compete against any foreign maker who competes with us on the low-priced brushes with which we now dominate the domestic market, as long as the present duty on brushes is maintained.

I have confined my remarks purposely to the goods in which I am personally interested and with which I am most familiar. These come nearest to the great bulk of the people as long as they can buy a practical and serviceable brush for the low price of 10 cents.

SUPPLEMENTAL BRIEF OF THE WILLIAM WILKENS COMPANY, OF BALTIMORE, MD., ASKING FOR THE RETENTION OF THE DUTY ON BRISTLES.

BALTIMORE, MD., *December 10, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Since filing the original brief in this case a number of briefs have been filed in the interests of the brush manufacturers, and the bristle subject was called up at such a late hour on the day set apart for it that there was no opportunity on the part of the bristle manufacturer to state his views before the committee.

Briefs on behalf of the brush manufacturers seem to be based upon the theory, as stated in the brief of Col. Albert Clark, of Boston, that—

> This duty could be abolished and all bristles put on free list without doing injury to any industry in the United States and to the advantage of brush manufacturers here.

The brief of the Florence Manufacturing Company says:

> We also ask that the duty of 7½ cents per pound upon bristles be removed, and that bristles be entered free of duty, in order that we may thereby be placed on a fairer basis in comparison with Asiatic and European countries, as practically no bristles used in the manufacture of hairbrushes, and no bristles used in the manufacture of toothbrushes, are produced in America.

The brief of A. L. Sonn Brush Company says:

> Bristles are not a product of the United States, and therefore would not affect the producer in this country, but would be a great help to the manufacturers in the United States * * *.

The brief of the Grand Rapids Brush Company says:

> The duty of 7½ cents per pound on bristles, we believe, can be largely reduced, or entirely taken off, because at the present time the production of bristles in the United States is very small, and it is not an industry that will grow, but is bound to become obsolete, whether protected or not, because of the conditions that exist relative to the slaughtering of hogs, etc., while they are still young.

The brief of A. & E. Burton Company says:

> The duty is now 7½ cents per pound, as there are practically no bristles raised in this country at this time. As hogs naturally lose their bristles when domesticated, we think all bristles, sorted, bunched, or prepared, should come in free.

Statements of this kind are somewhat astonishing in view of the fact that several of the parties who make them are large customers of the William Wilkens Company, and buy a large quantity of bristles every year from them, and that they must have known when they made these statements that there are bristle factories in Philadelphia, Cincinnati, Providence, Chicago, and in Baltimore, in addition to the present petitioner, who alone manufactures from 250,000 to 300,000 pounds of bristles per annum; and while it is true that these industries have not made fortunes and are gradually closing up, it is simply because of the want of proper protection against imported manufactured bristles from the East.

Under the Wilson bill, the tariff was 15 cents per pound. This was reduced, under the Dingley bill, to 7½ cents a pound. And, as we have shown, this reduction has been a severe blow to this manufacturing industry. And now, finally, the brush manufacturers ask

that this duty of 7½ cents per pound should be taken off entirely, and the imported bristles, principally from China, should be put in direct competition with the bristles manufactured in this country.

And while these brush manufacturers are demanding that the duty shall be taken off of the foreign bristle, and the American laborer and manufacturer of brushes be thereby benefited and protected against what they call the "Yellow Peril," they are at the same time asking that duty on imported brushes be increased in order that their industry should be protected against this same "Yellow Peril." It would seem that they are perfectly willing to sacrifice one branch of manufacturing industry on the same grounds and for the same reasons that they demand protection for another branch of a manufacturing industry. The want of equity in this position is so apparent that it needs no further argument, and the bristle manufacturers are perfectly willing to submit their case on the appeal made by these brush manufacturers for the protection of their own industry against the cheap foreign laborer.

It would be impossible for the Wilkens company to continue to manufacture these bristles at the present time were it not for the fact that they have invented and patented machinery in their own shops, which make it possible to compete against cheap Chinese labor. Incredible as it may seem, they have invented and patented and have in daily use machines that sort lengths of hair, picking short hair from long hair, and which avoids one of the most laborious and tedious phases of the business when done by manual labor.

If the committee should think, however, that the duty should be taken off of these manufactured bristles, it is then respectfully submitted that the duty should be retained on what is known as "short bristles"—that is, upon all bristles under 4½ inches in length. Bristles longer than 4½ inches are not manufactured to any extent in this country. It is true, as stated in several briefs of the brush makers, that hogs are killed young in this country, and nearly all hogs from which bristles are taken here are domesticated, and hence inferior in length to the imported bristle, where hogs are allowed to mature and where many of them run wild. Bristles longer than 4½ inches are used in quantities by brush makers for paint brushes and brushes which require this longer bristle. And the industry of this petitioner, as well as all bristle manufacturers in this country, would not be materially injured by taking off the duty on bristles over this 4½ inches. This would give the brush makers relief to a certain extent without destroying another sister industry, and destroying it upon the same ground for which they themselves ask protection, and that is that the American laborer should be protected against cheap foreign labor.

The situation as represented by the Wilkens company is ideal from a manufacturing standpoint. They were the first manufacturers of bristles in the United States and have been continuously in that business, as stated in the original brief, for the last sixty-four years. During that time a village has grown up around their factory, occupied to a great extent by their employees—men who were raised in the business—whose fathers were there before them and who know nothing else but the manufacture of bristles, own and live in this village, no strikes, no discord between employer and employee. And while it is easy to talk about the destruction of business if the

tariff is put on or taken off, yet there is no exaggeration in the statement that this establishment can not continue to manufacture bristles if the duty of 7½ cents per pound is taken off, and the ideal situation will be destroyed.

FIELDER C. SLINGLUFF,
Representing the William Wilkens Co., of Baltimore, Md.

CHAS. WOOD, OF LANSINGBURG, N. Y., COMPARES JAPANESE AND AMERICAN LABOR COST IN BRUSH INDUSTRY.

LANSINGBURG, N. Y., *December 19, 1908.*

COMMITTEE WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As to proposed duty on toilet brushes, particulars as to which are set forth in the petition to you from the manufacturers of such here, the fact that the present duty of 40 per cent is now entirely inadequate is conclusively shown by the prices the importers sell them for in this country. A New York importer sold the Japanese nail-brush furnished you with the petition to John Ferriss, brush maker, Albany, N. Y., for, as stated, per gross $10. We don't know cost to importer, but it was necessarily less than $10. Deduct duty of 40 per cent importer was supposed to have paid, say, $2.80, leaving price, exclusive of duty, say, $7.20. If to this was added the 80 per cent duty the petition requested, it would be $5.66, making cost to importer, say, $12.86.

Now nobody in this country can furnish the counterpart of such brushes for even less, as stated in petition, than $17.28 per gross, as its method of construction would be prohibitory in this country, owing to our labor being upward of four times as much as in Japan, our consul at Tokio, Japan, stating average of brush makers' wages in Japan are for males 50 cents per day, while ours average $2.

Women who do important parts, 15 cents per day in Japan; here upward of $1.

Children, 5 cents per day in Japan; in New York and some other States children not allowed to work at any price.

Also the duty on kinds of bristles not produced in our country, viz, those above 3 inches long, should be exempt from the 7½ cents per pound duty.

Yours, respectfully, CHAS. WOOD.

JOSEPH HORNE CO., PITTSBURG, PA., THINKS AN INCREASE OF DUTY ON BRUSHES ENTIRELY UNNECESSARY.

PENN, FIFTH AND CECIL WAY,
Pittsburg, Pa., December 29, 1908.

Hon. JOHN DALZELL,
House of Representatives, Washington, D. C.

DEAR SIR: We are informed that an effort is being made by certain American makers of brushes to induce the Committee on Ways and Means to advance the rate of duty on brushes to 80 per cent from the present rate of 40 per cent.

It is our opinion that such action is entirely unnecessary and calculated to work injury to the retail brush business, and also to reduce the revenue and increase the cost of necessary articles to the consumer, apparently to the benefit of only a few domestic manufacturers. We believe that the present duty of 40 per cent affords domestic manufacturers all the protection, if not more, than they are entitled to, and should any change be made, it seems that a decrease instead of an increase in the present rate would be more satisfactory.

We would respectfully ask that you give this matter proper consideration before any such increase of the present rate of duty should be made.

Thanking you in advance for anything you may be able to do, we beg to remain,

Yours, very truly, JOSEPH HORNE CO.,
Dry Goods.

HON. JULIUS KAHN, M. C., SUBMITS LETTER OF THE OWL DRUG COMPANY, SAN FRANCISCO, CAL., RELATIVE TO BRUSHES.

611–13–15 MISSION STREET,
San Francisco, December 31, 1908.

Hon. JULIUS KAHN, M. C.,
Washington, D. C.

DEAR SIR: It has been called to our attention that a considerable number of American manufacturers of brushes are making application to the Ways and Means Committee of the House at Washington for a big increase in the tariff on brushes.

For many years the duty on this item was from 20 to 30 per cent, and at the time the Dingley bill was passed it was 40 per cent, and has remained at that figure ever since.

We believe it would be a great injustice to the trade to have this increased, and it would certainly reduce the revenues of the Government.

The manufacture of many lines of brushes has been attempted in America during the last twenty-five years, but has always been a failure, and a duty of 40 per cent is surely enough protection.

We trust you will see your way clear to use your efforts to have the duty remain as it now stands.

Yours, very truly,

THE OWL DRUG CO. (INCORPORATED).
Per R. E. MILLER, *Secretary.*

THE W. J. GILMORE DRUG COMPANY, OF PITTSBURG, PA., THINKS DUTY ON BRUSHES SHOULD BE REDUCED.

426, 428, and 430 SEVENTH AVENUE,
Pittsburg, December 31, 1908.

Hon. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR: It has come to our notice that a few domestic brush manufacturers have asked for an advance from 40 to 80 per cent on imported brushes.

We would like to take the liberty of calling to your attention the fact that from 96 to 98 per cent of the brushes used in this country are imported brushes, and we think if any change is made at all in the duty it should be reduced instead of increased.

We, as large users of brushes of all kinds, are placed in a position to give a fair opinion on this matter and hope it will meet with your careful consideration.

Yours, very truly,

W. J. GILMORE DRUG CO.,
Per J. B. MCCORMICK,
Manager Sundries Department.

THE GEORGE A. KELLY COMPANY, PITTSBURG, PA., OBJECTS TO ANY INCREASE OF DUTY ON BRUSHES

421, 423, 425, AND 427 SEVENTH AVENUE,
Pittsburg, Pa., December 31, 1908.

Hon. JOHN DALZELL,
House of Representatives, Washington, D. C.

DEAR SIR: Referring to applications before the Ways and Means Committee on the part of certain domestic manufacturers for an advance in the rate of duty on brushes from the present rate of 40 to 80 per cent, it is our honest conviction that the present rate affords ample protection to the domestic manufacturers. Any increase in the rate would result in increased cost to the consumer and would tend to reduce the revenue on this class of products.

Improved machinery and methods have greatly reduced the cost of domestic production since the fixing of the present rate in the McKinley bill, and the change, if any, should be a decrease.

Very respectfully,

GEORGE A. KELLY COMPANY,
GEORGE A. KELLY, SR., *President*,
Wholesale Druggists.

C. W. SNOW & CO., OF SYRACUSE, N. Y., THINK THAT THE DUTY ON BRUSHES SHOULD BE REDUCED.

214–216 WARREN STREET,
Syracuse, N. Y., January 4, 1909.

S. E. PAYNE,
Chairman Ways and Means Committee,
Auburn, N. Y.

DEAR SIR: We are advised that various domestic manufacturers of tooth, nail, and hair brushes have asked for an increase on the present duty of 40 per cent. We can not believe that this is necessary; in fact, we should think that a reduction to 25 per cent would be more proper, and we trust that your committee will get all the facts in the case, which we feel sure do not warrant an increase in the present duty.

Yours, very truly, C. W. SNOW & CO.

WALKER & GIBSON, ALBANY, N. Y., THINK THAT THE DUTY ON BRUSHES SHOULD NOT BE INCREASED.

ALBANY, N. Y., *January 6, 1909.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: We are very much opposed to an advance in the tariff on brushes. Any change of this kind would be a great hardship to the people who use these goods, as the price would be advanced, and we believe there would be a general complaint from the public if any such thing should occur. Besides this, it would probably result in a decrease in the duty collected, as it would more than likely prohibit importations of these goods to a large extent. We hope that you will not allow anything of the kind to occur.

Yours, very truly,

CHARLES GIBSON,
President.
WALKER & GIBSON,
Wholesale Druggists.

W. WICKHAM SMITH, FOR IMPORTERS OF BRUSHES, PROTESTS AGAINST ANY INCREASE IN DUTIES.

32 BROADWAY,
New York City, February 2, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, importers of brushes, provided for in the present tariff act, paragraph 410, at a duty of 40 per cent ad valorem, respectfully protest against any increase in the duty of this class of merchandise, as urged by domestic manufacturers thereof.

Brushes (which term includes hair brushes, hand brushes, tooth brushes, nail brushes, hat brushes, clothes brushes, paint and varnish brushes, etc.) are articles of prime necessity, all in general use and many of them in practically universal use. The consumer is vitally interested in the tax on this class of merchandise, and although it has been suggested by one of the manufacturers (Miles Brothers & Co., of New York), that "if our people want foreign brushes let them pay a good round figure for them, say, a duty of 60 per cent or more. In the meantime the American makers will be forging ahead, competing and chewing one another up, etc.," we take it that neither this committee nor Congress will be disposed to take this view of the situation.

A number of domestic manufacturers of brushes have filed briefs or statements with the committee urging an increase in duty. The importers have not yet been heard from, for they had naturally supposed that the present duty of 40 per cent (which was considered adequate by the terms of both the McKinley and Dingley tariffs) was so high that it could not be expected that any application would be made to have it increased. No wthat they find that applications have been made to increase the duty to 50 or 60 per cent (some manufacturers have said that it ought to be 80 per cent), they deem it proper to call the attention of the committee to some points which may assist it in its deliberations.

There is a singular resemblance between the statements of these various manufacturers, not only in what they say, but in what they omit to say. They nearly all enlarge on the perils that threaten their industry by competition with the products of low-priced labor in foreign countries. Nearly every one of them gives statistics, year by year from 1890 to 1907, on the importations from Japan. Several of them even use the same figures of speech, as, for example, that they see "a menacing cloud on the horizon" and that they want to be saved from the "yellow peril."

But their unanimity in silence is far more eloquent and significant than their unanimity in speech. You will search their statements in vain for any information as to the amount of output of their factories or the percentage which the importations bear to the whole volume of brushes sold and consumed in this country. Many of these domestic manufacturers are incorporated companies, but you will not find in their statements any information as to the dividends they are paying on their stock. They make all kinds of positive assertions as to the wages paid for labor in the brush-making industry in foreign countries, but the only authority they cite for any of their statements in this respect is a report of one United States consul. Their briefs are full of statements of fact for which no authority whatever is cited, and of predictions of the ruin of their industry, which, as it will hereafter be shown, is nevertheless a very thriving and prosperous one.

The one point on which they all agree is that importations from Japan have increased, and that they must have increased protection. The fact that must strike the committee as it has struck us is that if their statements of fact about Japanese goods could be accepted as correct it would be impossible to understand why the Japanese had not already secured entire control of the American market, and how it is possible not only for American manufacturers to sell any brushes in competition with Japanese brushes, but how it happens that England, France, and Germany are able to send any brushes here, pay 40 per cent duty on them, and still compete with the Japanese.

Take, for example, the statement of Walter D. Foss, representing the Wooster Brush Works, of Wooster, Ohio. He submits two brushes, one Japanese and the other American. He gives a total cost per gross of $3.84 for the American brush and $1.79 for the Japanese. These figures are far from correct. Without undertaking to point out their inaccuracy in all respects we may call attention to one. He states that 1½ pounds of bristles is necessary to make a gross of these brushes, and that the cost of these bristles in the United States is 64 cents and in Japan 33 cents, while the fact is that in Japan the bristles cost exactly the same as the bristles here, except that they do not have to pay the 7½ cents a pound duty which is charged here and cost somewhat less for freight. The entire difference would be less than 10 cents per pound in favor of the bristles in Japan, and if the American landed cost is 64 cents, as stated by these manufacturers, it would make the cost in Japan 54 cents per pound instead of 33 cents, as stated by Mr. Foss; a difference of over 60 per cent between his statement of cost of bristles and of the facts. If his other figures are as inaccurate as these, comment is unnecessary.

Another manufacturer, the Grand Rapids Brush Company, states (without pretending to give any authority) the average wages in different countries where brushes used in the United States are made.

Labor in Japan, according to the incorrect statement of these manufacturers, is one-third of what it is in Germany, one-fourth of what it is in France, 23 per cent of what it is in England, and but little less than one-seventh of what it is in the United States. The problem is not only how does the business in the United States continue to exist, but how are the European countries named enabled to send their goods here, pay 40 per cent duty, and sell them in competition with Japanese goods? There may be some explanation for this phenomenon, but if there be, it is certain that no one of these manufacturers has given it.

Moreover, if it be true that the Japanese now have 25 per cent of the American market for brushes, and will soon, as these foreboders of disaster insist, have it all, how does it happen that the Brush Makers International Union in the petition they sent to the committee say: "We petition your honorable body to continue the duty on brushes as it stands to-day."

Proceeding now to examine in detail the various contentions of these domestic manufacturers, we submit the following:

First. They state that the importations for the year 1907 were upward of $1,600,000. They do not state the value of the importations from different countries, but we have obtained these figures, and they are as follows:

France	$721,989
United Kingdom	194,250
Germany	240,422
Japan	401,639

If Japan has such enormous advantages as they state, and if it is a "menacing cloud on the horizon," how is it that the importations from that country are less than 60 per cent of the importations from France, and less than the importations from Great Britain and Germany combined? As all these importations have to pay the same rate of duty at the custom-house, if labor exceeds 50 or 60 per cent of the cost of production, as these manufacturers claim, and the cost of labor in Japan is so insignificant as that compared with European countries, how is it that these European countries are able to send to us over $1,000,000 worth as compared with $401,000 sent from Japan.

Again, take their own figures as to exports. They say that the exports from the United States during the year 1907 were upward of $400,000 worth of brushes. If they are under such tremendous disadvantages as they say they are under, so that their industry is threatened with extinction, how can they send out $400,000 worth of brushes a year (equal to the total amount of brushes imported annually from Japan) to compete with the brushes of France, Germany, Great Britain, and Japan in the other markets of the world where there is no 40 per cent duty to protect them.

From the Blue Book issued by the Dominion of Canada for the year ending March 1, 1908, part 2, page 26 (see Exhibit 5), it will be seen that the importation of brushes into Canada for that year from various other countries was as follows:

United States	$153,110
France	107,503
Great Britain	51,599
Japan	32,231
Germany	26,980

From these figures it will be seen that the United States is able to manufacture and export to this one foreign country nearly 50 per cent more brushes than are imported there from any other country, and five times as many brushes as Canada imports from Japan. We send to Canada more brushes than are imported there from France and Japan together. How is it that the "yellow peril," the "speck on the horizon" that threatens the brush industry in this country, cuts so small a figure in Canada.

All foreign brushes that come into Canada pay the same rate of duty except those from Great Britain (which enjoys a preferential rate of one-eighth reduction on the rate of duty levied upon the goods from other places). Yet, with this preferential rate, Great Britain is only able to send to Canada one-third as many brushes as are exported into that country by the United States.

Second. The domestic manufacturers make a great point of the enormous increase of brush imports from Japan in seventeen years, but during the last fifteen years the exports from the United States to Japan have increased $3,000,000 to $38,000,000. They have been nearly doubled in the last five years. We can not expect to maintain this great export trade with a growing country and not have them ship their goods to us. We can not make any discriminating duty against the Japanese, and the same argument that applies to brushes may be applied to dozens of other things. The fact that the Japanese are sending us more of their product in a few lines of goods does not justify the imposition of heavier taxes upon all our people for the benefit of a few manufacturers.

Third. Apprehended destruction of American brush industry. The manufacturers allude very vaguely to some concerns which have been obliged to go out of business. No facts or specifications have been furnished. As a matter of fact, there is no line of business in which some concerns are not driven out by the energy and skill of competitors, both foreign and domestic.

The general business of the American manufacturers has been steadily increasing. By their progressiveness and large capital the leading firms have made it difficult for the small maker here to exist and compete with them. Several makers of this class have gone out of business for this reason and not by reason of competition with foreign goods.

The manufacturers have furnished no figures as to their business or capitalization, and, of course, importers are not in a position to learn or state the exact figures. But it may be proper to note here that Bradstreet's Commercial Agency, which it is well known gives very conservative statements of the capital of the houses registered in its credit book, furnishes the following credit standing of some of the parties who have filed these petitions with the committee:

Grand Rapids Brush Company	$150,000
Ames-Bonner Company	200,000
Florence Manufacturing Company	300,000
John L. Whiting Company	1,000,000
Wooster Brush Company	150,000
J. J. Adams Company	200,000

In the absence of any evidence it can hardly be supposed that concerns with such ratings as these are in any danger of going out of business because it is unprofitable.

Fourth. Wages and cost of production. The applicants for increased duty make all sorts of conflicting and inconsistent statements as to wages, not only in this country, but in other countries. The former are clearly within their knowledge, but none of them have testified to them under oath or furnished any sworn statement concerning them. The latter they can have no knowledge of but hearsay, and the only authority they furnish is the report of one American consul. We insist that their statements as to wages are incorrect and misleading, and we respectfully submit that their statements on this subject should be disregarded unless they furnish some proof concerning them. Moreover, it should be borne in mind that if the American workman secures a higher wage it comes largely from the fact that he has greater skill and turns out proportionately a larger amount of goods.

Fifth. Comparison of brushes. The manufacturers make a great point about a brush made in Japan competing with one made by them. We are credibly informed and allege the fact to be that this so-called "Japanese" brush is simply a copy of an American brush ordered to be made by one of these petitioners for the purposes of this case, and one not regularly manufactured or for sale by any one.

Sixth. Export and home consumption prices of American-made brushes. One of the largest and most important manufacturing concerns in this country is exporting to Canada a brush which is also sold in this country, and selling it for a much lower price for export than it charges here. We refer to Exhibits 1, 2, 3, and 4 forwarded herewith. Exhibits 1 and 3 are toothbrushes sold here for $23.25 per gross. Exhibits 2 and 4 are corresponding articles sold to Canada for $16.50 per gross. If they can export their goods to Canada and find a profitable market for them in competing with British brushes which have a preferential tariff rate, how can they say that they are not able to compete in the markets of the United States with English brushes which have to pay an import duty of 40 per cent.

Seventh. The strength of the demand for tariff increase. There is a large number of manufacturers of brushes in the United States. Only a few of these are demanding an increase of duty. There are others who will be heard from by the committee resisting any increase in the duty. Some of them are very much opposed to it. There is a very large number of jobbers and dealers in brushes in the United States handling both domestic and foreign brushes, and we have yet to hear of any of these who are advocating an increase in the tariff. There remain the consumers, who are practically the whole American people, and we do not suppose it will be suggested that any of them want an increase of the tariff and corresponding increase of their burdens.

Eighth. Proposed prohibitive duties. There are many brushes now made in the United States which can not be imported at all under the existing rate of duty. If any such increase as is now proposed should be made, still further classes of brushes would be excluded from importation. The powerful manufacturers now engaged

in this business are seeking to bar out the foreign articles, so as to enable them to make prices to suit themselves. Congress should not aid them in this effort.

We submit as Exhibit 6 a number of American brushes of various kinds and uses, sold at prices which place them within the reach of the masses, and which are used in enormous quantities in the United States, and we assure your honorable committee that these goods are manufactured and sold so cheaply here that not only can they not be imported under the proposed increased duty or under the existing rate of duty of 40 per cent, but that they can not be imported and compete with the American article if they were exempt from duty altogether.

We have no hesitation in asserting (with entire confidence that our statements will be corroborated by merchants, dealers, and parties interested, except the few domestic manufacturers who are seeking to swell their own profits) that 40 per cent is the maximum rate that can be levied upon brushes without greatly reducing the revenues to be collected upon them. Any increase above that rate will prohibit the importation of many classes of brushes now imported and will greatly decrease the importation of others and thus reduce the revenues.

Ninth. Celluloid brushes. We are advised that an attempt is to be made to except celluloid brushes from the brush paragraph and subject them to duty under the paragraph, for instance, now No. 17 for celluloid. Against this we must strongly protest. The present duty on celluloid articles is 65 cents a pound and 25 per cent ad valorem. This would be an enormous increase in the rate of duty, and, moreover, would give rise to perpetual controversy as to whether or not celluloid was the component material of chief value.

For very many years tariff acts have provided for brushes of all kinds in explicit terms. The clearness, simplicity, and comprehensiveness of this enumeration have prevented any dispute as to the classification of brushes, and has made it perfectly simple for both importers and customs officers to apply the law. Any change which would provide different rates of duty for different kinds of brushes would tend to confusion, disputes, protests, litigation, and, we submit, would be unwise and mischievous.

Tenth. As the manufacturers are not only asking for an increase in the duty on brushes, but are generally asking for the removal of the duty on bristles, the raw material used for making brushes, it may be instructive to consider the following figures taken from official sources:

In the year 1894 the importation of bristles into the United States was $639,000, and in 1907, $3,250,000, equivalent to an increase of 500 per cent.

The importation of brushes in the year 1894 was $516,000, and in 1907, $1,586,000, equivalent to an increase of 300 per cent.

As all bristles are used only in the manufacture of brushes, these figures are eloquent as to the increase of the domestic manufacturers as against that of the importers during this period of thirteen years. The exportations of brushes in 1894 were $179,000, and in 1907,

$415,000, so that the exportations in 1907 were two and one-half times more than in 1894.

These figures show the extent to which the domestic business has increased as against the importing business, and, we submit, a strong argument for a reduction rather than an increase in the rate of duty.

Eleventh. It has been already pointed out in this brief that the manufacturers who have had so much information to furnish about the price of foreign labor and other things about which they can apparently have no accurate knowledge and for which they furnish no authorities, have sedulously concealed from the committee all facts as to the volume of their business and of the percentage of the American market for brushes which they control as against the percentage of importations. We are, of course, in no position to ascertain the precise facts which they conceal, but we are in a position to form some estimate of the total value of the brushes manufactured in the United States, and on that subject we beg to submit the following:

By official statistics the total importation of bristles in the year 1907 into the United States was $3,433,941. All bristles are used for brushes and for no other purpose. The average cost of bristles entering into the average amount of brushes is 25 per cent, the other 75 per cent being the cost for labor, 60 per cent, and 15 per cent for other materials, such as handles, wire, and boxes for packing (see Grand Rapids Brush Company's statement.) As the cost of bristles is 25 per cent of the price of the brush, the value of the brushes made here from imported bristles would be $13,026,208. This would be actual net cost, to which, of course, must be added the manufacturer's profit.

As the importation of brushes for the year 1907 was $1,586,556, this would make the total value of brushes sold in the United States in excess of $15,000,000. It will thus be seen that the domestic manufacturers have about 90 per cent and the importers about 10 per cent of the American market, and yet these manufacturers who now have about 90 per cent of the business in brushes want to increase the duty to a point which will be largely prohibitory to importation and consequently give them a monopoly of the American market, with resulting opportunity to charge as high prices as they please.

Twelfth. It is reiterated over and over again by the American manufacturers that the improved machinery used in this country for the manufacture of brushes is also used in other countries from which brushes are imported here, including Japan. This statement we submit is without foundation. The greatest labor-saving device and the machine that makes the cheapest brushes in the world is used for brushes known as "cement-made brushes." The importers would be in position to know if this machinery was in use in any other country in the world, and they state that they never knew of it being used in any other country than this. Another labor-saving machine is one that forces the bristles into the brushes in one operation, eliminating hand labor. There are few brushes imported into this country made in this way, and none from Japan.

In conclusion we submit that on the facts and arguments above set forth there is no ground whatever to justify an increase in the duty upon these articles. On the other hand, we submit that a very strong case has been made out for the reduction of the duty, which will increase the volume of importations, add to the revenue of the Government, and place articles of universal necessity within the reach of the people at a cheaper price, and we therefore respectfully urge that the language of the provision for brushes be retained in the form in which it is used in the present and has been used in prior acts, and that the rate of duty be fixed at 30 per cent, which was the rate fixed in the tariff act of March 3, 1883, after a thorough investigation of the subject by a tariff commission created by a Republican Congress.

Dated January 20, 1908.

W. WICKHAM SMITH,
Counsel for Leading Importers and of Dealers in Brushes.

BRUSH FIBERS.

[Section 6.]

COL. ALBERT CLARKE, BOSTON, FILES LETTER OF A. C. WHITING, BURLINGTON, VT., RELATIVE TO BRUSH FIBERS.

BURLINGTON, VT., *November 24, 1908.*

Col. ALBERT CLARKE,
Washington, D. C.

MY DEAR MR. CLARKE:

* * * * * * *

The competition among the manufacturers themselves is very severe, but above that there are a great many foreign brushes brought in and duty paid owing to the cheap labor of Europe. The Japanese, particularly, are sending in a great many, especially toilet brushes, on which the labor is a large percentage of the cost. But this importation of brushes is not confined to this class of brushes entirely, as a large number of very cheap brushes—hand, nail, scrub, etc.—are thrown in on this market. I do not see how it is done, if it is done legitimately and proper duties paid; but the fact remains that the brushes come in here, so that I think the brush makers are really entitled to a larger duty rather than smaller.

* * * * * * *

Now, coming down to the question of brush fibers, in which my interest centers. Tampico, or istle (or ixtle, as it is sometimes spelled by the Mexicans), should without any question be admitted free in its crude state, as none is produced in this country. But when it is dyed, combed, or dressed, cut up, or partially manufactured in any manner, it should pay a duty. The same rule should apply to the many bass fibers which are imported into this country. We do not think the dressers of brush fiber are properly protected in this re-

spect, as considerable dressed tampico and basses are now brought into this country with only 20 per cent duty. When I had a consultation with the appraisers in New York last week, I found them at work on a lot of dressed tampico, which they were passing at 20 per cent duty. This special importation, I think, came from Hamburg. The German and Belgium manufacturers are continuously sending quotations among the brush trade of this country at from 1 to 2 cents a pound below the prices ruling in this country. And, as stated, considerable dressed tampico and bass, bassine, Palmyra fiber, etc., is sent in here at a lower figure than the American manufacturers, with the high prices we are paying labor, can afford to dress the stock.

* * * * * * *

Another disadvantage which we are working under is that considerable istle is shipped from Mexico on a through bill of lading to Europe, and stopped off in New York. If the Mexican can not get his price in New York, he ships it on to Europe without further cost of freight. So that many times the European manufacturer can buy cheaper for lack of a market than the American manufacturer can, i. e., the further seeking of another European market would cost additional freight to handle.

I have also been told that many times vessels will load in Mexico for European ports at a lower rate of freight than for New York, again giving the European manufacturer the advantage.

When in England two years ago, I found an English dresser of fiber, to whom we several years ago sold a full set of our improved machinery, had been obliged to stop the dressing of brush fiber, owing to the severe competition of Belgium and German manufacturers, who put dressed stock into the English brush factories cheaper than the English manufacturers could do it, so that their machinery in this branch of their factory stood idle and covered with dust; they were doing nothing. This same competition has driven us out of Canada, where we formerly had a very good trade. Further, I found that the English manufacturer was paying his help only about one-half of what we are paying ours.

After considerable effort, by going to the appraisers' stores in New York, I found that tampico was admitted under section 6 (p. 67 of the tariff act you sent me), as an unenumerated article, at a duty of 20 per cent. It struck me in looking over the tariff that it should come under article 347 in schedule J, "all manufactures of flax, hemp, ramie, or other vegetable fibers, 45 per cent ad valorem." This rate at least would succeed much better in keeping out the cheap manufactures of Germany and Belgium. But they told me at the appraisers' stores that it could not be classed under this clause, because it was still tampico; it was not a manufacture of tampico, but still remained tampico.

Now, the trouble is that the dressed tampico, or brush fiber, has never been specifically mentioned in the tariff, I believe. I think it should be, and I think that a duty of 45 per cent would be none too high on tampico, bass, bassine, palmyra fiber, and similar vegetable fibers or mixtures of the same (when they have passed in manufacture beyond the crude state) to protect the American manufacturer; and it would work no injustice to any American, because the competition among American manufacturers in this country is so strong

that the prices are kept down to the bottom notch, commensurate with the high price we are paying labor to-day.

* * * * * * *

Yours, truly,

E. B. &. A. C. WHITING,
By A. C. WHITING.

P. S.—The foreign manufacturers generally quote 8 to 10 cents for dressed tampico, while the American market is 12 to 14 cents, so that with the duty on they are in the neighborhood of 2 cents below us.

SUPPLEMENTAL STATEMENT BY E. B. & A. C. WHITING, BURLINGTON, VT., RELATIVE TO FOREIGN BRUSH FIBER STOCK.

WASHINGTON, D. C., *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN. Inclosed is a letter from E. B. & A. C. Whiting concerning brush stock, which contains information in addition to the statement which I presented at the hearing, together with a circular from Belgium indicating the competition which they receive from abroad. Mr. Whiting is entirely trustworthy, and I fully indorse his statements.

Very truly, yours, ALBERT CLARKE.

BURLINGTON, VT., *December 1, 1908.*

Col. ALBERT CLARKE, *Washington, D. C.*

DEAR MR. CLARKE: I am glad to get yours of November 30. I appreciate that you have been busy, but as you wrote in a former letter of giving me pointers for a brief, and I did not hear anything from you, I was afraid you might have been taken sick and that the matter would go by default. Am glad to hear that you were in the harness, and fully realize that you must be pretty busy there during these hearings. I have not been able to find anything in the papers in regard to the action of the committee Saturday, at which time I inferred matters of interest, particularly to us, would be taken up, and I am glad to get your letter giving the information it does.

I am glad also to learn that there is a prospect of the brush makers getting relief by an increase of 10 per cent—from 40 to 50 per cent—duty. They need it.

Now, in regard to tampico, etc. The wording you give, "Tampico, dressed, assorted, colored, ready for the brush maker," would hardly cover the ground properly, as stock could be sent in partially manufactured, not ready for the brush. I have been looking over some foreign correspondence, and I herewith inclose a circular from H. Lecluyse, of Antwerp, dated the 31st of May, 1907, which will give you something of an idea of what we have to contend with. You will note that he does not quote bassine or Palmyra fiber, or Mexican fiber, raw. Probably he is not able to handle them in the crude

state, to meet the American market. But, going further on in his circular, you will see that he has Mexican fiber (that is, tampico in its different grades) and unions of tampico, bassine, etc., and the different bases all quoted. You will also note that his prices are per hundredweight (112 pounds), delivered c. i. f. American seaport. They are offering these goods lower now even than then, but they do not send us circulars, as they have got on to the fact that we are competitors. So we only see these circulars once in a while through some of our brush-maker friends. Perhaps this circular may give the committee a better idea that dressed tampico is a manufactured article. There are infinite varieties and grades of it.

As shown in my former letter, these German and Belgium manufacturers, with their cheap labor, are putting these dressed stocks into this country more and more. Especially during the last year or two, when we have paid our labor more, has this trade grown, to our detriment. All of these mixtures of Mexican fiber and unions of tampico, bassine, etc., come into competition with us. We used to be able to get down somewhere near their prices, but since the advance in the cost of labor during the last two or three years we have found ourselves unable to compete with these people. The brush makers are getting more and more into the way of importing.

Now, as stated in my previous letter, I think these fibers should be enumerated, and I would suggest the following as covering the ground best: Istle, ixtle, tampico or Mexican fibers, bass, bassine, palmyra, and similar vegetable fibers, when they have been dyed, combed, cut up, mixed, or dressed in any manner, 45 per cent ad valorem.

Istle, ixtle, tampico or Mexican fiber are different names for practically one kind of fiber. Bass, bassine, palmyra, etc., are different names for another class of fiber, both used largely in brush manufacturing. There are a good many different kinds of basses used in the manufacture of brushes.

I should want this clause to cover pretty strongly the vegetable fibers which are prepared in any way beyond the crude state, because, as stated in a previous letter, of the danger of the Mexicans with their cheap labor putting this stock up more or less dressed.

Now, as to the percentage of duty. While formerly there was a good margin in the dressing of tampico, of late years the competition in this country has been so strong that it has been pretty close figuring, so that the price has kept down to a very narrow margin. The trade is limited. Several have tried it (dressing tampico) and failed, so that there are now only three or four manufacturers of vegetable fiber for the brush trade left in the business, and the only way we can get anything out of it is to do a big volume of business. Now, if our trade is cut into by foreign importations, we lose so much from the volume of business, which is a serious loss to us; and for this reason, for the good of our help as well as ourselves, we would like to see the duty as large as we can have it. We do not think 45 per cent is excessive, but if we can not get over 35 per cent we will have to take that, and it may be that it is best not to ask for over 35 per cent. You can better judge of the situation than we can, and I leave it with you. Simply get all you can, for we need it. Between the prison labor in our own country and the cheap and prison labor of Germany and Belgium we find the sledding very hard.

I hope you will do the best you can, and that your efforts will be crowned with success.

Thanking you in advance for your interest and kindness, I remain,

Very truly, yours,

E. B. & A. C. WHITING,
By A. C. WHITING.

ANTWERP, *May 31, 1907.*

Messrs. E. B. & A. C. WHITING,
Burlington.

DEAR SIRS: I have the favor to offer you to-day:

Bristle fiber, ordinary quality	$4.50
Scraps (split bamboo):	
Natural	4.00
Dyed (brown color)	4.50
Mexican fibers, dressed:	
Jaumave, combed in pigtails—	
White	9.00
Black	10.00
Gray	10.50
Jaumave, single drafted—	
White	9.50
Black	10.50
Gray	11.00
Jaumave, double drafted—	
White	10.00
Black	11.00
Gray	11.50
Tampico, combed in pigtails—	
White	8.25
Black	9.25
Gray	9.75
Tampico, single drafted—	
White	8.75
Black	9.75
Gray	10.25
Tampico, double drafted—	
White	9.25
Black	10.25
Gray	10.75
Palma, combed in pigtails—	
White	8.50
Black	9.50
Gray	10.50
Patent fiber (glossfiber):	
Black Gray	20.00
Unions, tampico and bassine:	
Tampico white and 10 per cent bassine, undyed, combed in pigtails Tampico white and 20 per cent bassine, undyed, combed in pigtails Tampico white and 30 per cent bassine, undyed, combed in pigtails Tampico white and 40 per cent bassine, undyed, combed in pigtails Tampico white and 50 per cent bassine, undyed, combed in pigtails	8.75
Tampico white and 10 per cent bassine, undyed, single drafted Tampico white and 20 per cent bassine, undyed, single drafted Tampico white and 30 per cent bassine, undyed, single drafted Tampico white and 40 per cent bassine, undyed, single drafted Tampico white and 50 per cent bassine, undyed, single drafted	9.25
Tampico white and 10 per cent bassine, undyed, double drafted Tampico white and 20 per cent bassine, undyed, double drafted Tampico white and 30 per cent bassine, undyed, double drafted Tampico white and 40 per cent bassine, undyed, double drafted Tampico white and 50 per cent bassine, undyed, double drafted	9.75

Unions, tampico and bassine—Continued.	
Tampico white and 10 per cent bassine, dyed black, combed in pigtails	
Tampico white and 20 per cent bassine, dyed black, combed in pigtails	
Tampico white and 30 per cent bassine, dyed black, combed in pigtails	$9.00
Tampico white and 40 per cent bassine, dyed black, combed in pigtails	
Tampico white and 50 per cent bassine, dyed black, combed in pigtails	
Tampico white and 10 per cent bassine, dyed black, single drafted	
Tampico white and 20 per cent bassine, dyed black, single drafted	
Tampico white and 30 per cent bassine, dyed black, single drafted	9.50
Tampico white and 40 per cent bassine, dyed black, single drafted	
Tampico white and 50 per cent bassine, dyed black, single drafted	
Tampico white and 10 per cent bassine, dyed black, double drafted	
Tampico white and 20 per cent bassine, dyed black, double drafted	
Tampico white and 30 per cent bassine, dyed black, double drafted	10.00
Tampico white and 40 per cent bassine, dyed black, double drafted	
Tampico white and 50 per cent bassine, dyed black, double drafted	
Tampico gray and 10 per cent bassine, undyed, combed in pigtails	
Tampico gray and 20 per cent bassine, undyed, combed in pigtails	
Tampico gray and 30 per cent bassine, undyed, combed in pigtails	9.75
Tampico gray and 40 per cent bassine, undyed, combed in pigtails	
Tampico gray and 50 per cent bassine, undyed, combed in pigtails	
Tampico gray and 10 per cent bassine, undyed, single drafted	
Tampico gray and 20 per cent bassine, undyed, single drafted	
Tampico gray and 30 per cent bassine, undyed, single drafted	10.25
Tampico gray and 40 per cent bassine, undyed, single drafted	
Tampico gray and 50 per cent bassine, undyed, single drafted	
Tampico gray and 10 per cent bassine, undyed, double drafted	
Tampico gray and 20 per cent bassine, undyed, double drafted	
Tampico gray and 30 per cent bassine, undyed, double drafted	10.75
Tampico gray and 40 per cent bassine, undyed, double drafted	
Tampico gray and 50 per cent bassine, undyed, double drafted	
Tampico gray and 10 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 20 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 30 per cent bassine, dyed black, combed in pigtails	10.00
Tampico gray and 40 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 50 per cent bassine, dyed black, combed in pigtails	
Tampico gray and 10 per cent bassine, dyed black, single drafted	
Tampico gray and 20 per cent bassine, dyed black, single drafted	
Tampico gray and 30 per cent bassine, dyed black, single drafted	10.50
Tampico gray and 40 per cent bassine, dyed black, single drafted	
Tampico gray and 50 per cent bassine, dyed black, single drafted	
Tampico gray and 10 per cent bassine, dyed black, double drafted	
Tampico gray and 20 per cent bassine, dyed black, double drafted	
Tampico gray and 30 per cent bassine, dyed black, double drafted	11.00
Tampico gray and 40 per cent bassine, dyed black, double drafted	
Tampico gray and 50 per cent bassine, dyed black, double drafted	
Bahia bass, dressed	16.50
African bass, dressed	8.50
Bassine, good current quality	8.00
Three-fourths Bahia bass, one-fourth African bass	14.50
One-half Bahia bass, one-half African bass	12.50
Three-fourths Bahia bass, one-fourth bassine, good current	14.40
One-half Bahia bass, one-half bassine, good current	12.25
One-half Bahia bass, one-fourth African, one-fourth bassine, good current	12.40

Unions, tampico and bassine—Continued.

Three-fourths African bass, one-fourth bassine, good current	$8.35
One-half African bass, one-half bassine, good current	8.25
One-fourth African bass, three-fourths bassine, good current	8.15
Three-fourths bassine, good current; one-fourth scraps, dyed	6.40
One-half bassine, good current; one-half scraps, dyed	6.40

Prices to be understood per hundredweight, or 112 pounds, c. i. f., American seaports.

Payment, cash; 1 per cent discount against documents.

Awaiting your esteemed orders, I remain, dear sirs,

Yours, truly,

H. LECLUYSE.

A. C. WHITING, BURLINGTON, VT., WRITES ASKING PROTECTION FOR THE FIBER-DRESSING INDUSTRY.

BURLINGTON, VT., *January 9, 1909.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: I am in receipt, from my old friend Col. Albert Clarke (who years ago came to St. Albans to work on the Messenger for my father), of a copy of the tariff hearings, in which is printed a portion of my letters to him. These letters (together with others) were written to Colonel Clarke on the subject of tampico and brush fibers, but neither of them was written with the expectation or intention of having them submitted to your committee, and they do not set forth the matter as clearly as it should be set forth. So I should like to set the matter before you once more, in better shape than expressed in these former letters.

Some thirty-five years ago my father, E. B. Whiting, and myself started an industry new to this country at least, and I think new to the world, i. e., the dressing of brush fiber (tampico particularly) for the brush makers by machinery.

Up to that time I think the work had been done by hand, the brush makers generally dressing their own fiber, although it was put up partially dressed by several manufacturers.

Passing over the years of doubt and loss, we finally "got onto our feet," and the trade began to take to our stocks in this country and abroad. This led to competition here, with the development of other machinery, and later in Europe. Competition in this country grew to be so strong that Europe did not try to put any dressed stock into this country until of late years. The general advance in wages which has been going on for a number of years back has not only forced us out of competition with Europe outside of this country, but they, having already ruined our trade in Canada (which was quite large) and in other countries, have gradually been forcing their goods into this country.

In England two years ago I found that a manufacturer who had come over here a few years before and bought a full set of our machinery had been obliged to suspend business in this line, as the Belgians and Germans, with their cheap labor, had taken the English trade all away from them, and I also found that this English manu-

facturer was paying his help about 50 per cent of what we paid our help at that time. We are paying still higher now.

For reasons above stated, dressed stock was not brought into this country to speak of until of late years, and I think I am right in saying that dressed Tampico or brush fiber has never been specifically mentioned in any tariff, for the reason that there has been no call for it. Crude Tampico or Istle, or Ixtle (the Mexican name), has always been free, as it should be, as it is not produced in this country. Under the last tariff I know that it had been assessed at 20 per cent duty, but it was not until I went to the appraisers' office in New York last November that I was able to find out how this duty was assessed. I then found that it was assessed under a "catch-all" paragraph, section 6.

That there shall be levied, collected and paid on importations of all raw or unmanufactured articles, not enumerated or provided for in this act, a duty of 10 per cent ad valorem, and on all articles manufactured in whole or in part, not provided for in this act, a duty of 20 per cent ad valorem.

I asked why it should not come in under Schedule J, article 347, which is as follows:

All manufactures of flax, hemp, ramie or other vegetable fiber, or of which these substances or either of them is the component material of chief value, not provided for in this act, 45 per cent ad valorem—

and was told that it could not come under this clause because, by a ruling of the custom-house, it had not changed its identity, had not been manufactured into something else, but was still Tampico.

This struck me as rather queer, and does still. I do not think there is anybody but what would allow that our stock is a manufactured stock. I, with forty or fifty others, have been at work for a good many years, and we supposed we had been manufacturing dressed brush fiber. We inclose herewith a copy of our price list, which serves merely as a fundamental basis to figure from, showing, as you will note, a good many different mixtures and styles. These are all subject to variations in many ways, so that the kinds of stock we get up run up into the thousands. I might say this list is subject to varying discounts of from 10 to 40 per cent.

The above is merely to show that there is no precedent for the amount of duty which should be fixed on dressed Tampico and brush fiber, because it never has been looked after, there being no occasion for it until the competition of late years, with the improved machinery of Europe and their extremely low labor there, they have begun entering our market here. When the question came up the customs officials simply put it under the "catch-all" phrase above.

Now, as to the amount of duty. Twenty per cent does not cover it. Dressed stock is coming in here more and more with each year. We have tried to find out just what the importation of dressed fiber is, but while we have the imports of Istle or Tampico fiber, the Hon. O. P. Austin, Chief of the Bureau of Statistics, writes us: "Returns received from collector of customs does not distinguish between dressed and undressed Tampico fiber." But we know that it is coming into this country in increasing quantities from what we know of the trade, and having seen it in the custom-house in New York (they were passing a lot the day we called there in November), and we want a proper duty imposed before our trade is ruined.

A large part of the Tampico used now in this country is the white, our prices on which are 12 to 13 cents. The Europeans are putting

this stock in now at from 8 to 9 cents which, with the 20 per cent added, leaves their price 1 to 2 cents below the market here. Whether they can go lower is a question. The trade in this country is limited, and the competition is very strong, so strong in fact that several parties, who were formerly in the business, have given it up, as there was no money in it. In fact, it is only by volume of business that we can get anything out of it. The normal cost of crude Tampico is, say, 5 to 6 cents. In dressing there is a waste of from 25 to 50 per cent, leaving, say, 5 to 6 cents for the cost of labor in this country.

Considerable stock is brought to this country on through bills of lading, transferred in New York, and if not sold there, goes on to Europe without any extra freight charge, so that the cost in Europe is about the same. Sometimes, owing to its being a market of last resort, they can buy cheaper than we can in New York, where, if the owner does not get his price, he ships it on to Europe. Now if stock costs them 5 cents, and they add 25 per cent waste and sell for 8 cents, it would leave them for labor $1.75 as against $5.75 for the American manufacturer. With 45 per cent duty on only 8 cents, it would bring their selling price up to $12.40, about the price here; and, as stated, there is a question whether they can not even produce the stock at less than 8 cents. So that we feel that a duty of 45 per cent is necessary to protect the industry in this country, and for which we most earnestly pray.

As stated in our letter of December 1, 1908, to Colonel Clarke, I would suggest the following as best covering the ground: "Istle, ixtle, Tampico or Mexican fiber, bass, bassine, Palmyra, and similar vegetable fibers, when they have been dyed, combed, cut up, mixed, or dressed in any manner, 45 per cent ad valorem." The dressing of the different kinds of basses referred to, has never been developed in this country, because of the cheap labor of Europe, although the mixing of bassine with Tampico, is done a great deal here; at the same time we are not able to compete with the Europeans in price on this stock.

I, personally, am much more interested in the duty on Tampico than on basses or union fibers, but I realize that it would be an easy matter for foreigners to put in just enough bassine into a mixture, to have it come under the head of union fiber or bass mixture, and so avoid duty. And, further, if the importation of basses was covered by a proper duty, there would be a chance for fiber dressers in this country to develop that trade to advantage. At the same time I would not want the question of duty on bassine to interfere with the question of duty on Tampico, which is our main work.

The clause imposing a duty on dressed Tampico, and other brush fibers, should be very carefully worded to prevent the stock which has been partially, if not wholly, prepared, coming in free. On the other hand, these fibers, Tampico and istle, bass, bassine, etc., should be, in the crude state, without any question, in the free list, for none of these fibers is grown in this country.

Trusting that the industry of fiber dressing in this country may be maintained by the fixing of a proper duty, which has never before been done, I remain

Very truly, yours,

A. C. WHITING, of
E. B. & A. C. WHITING,
Dealers in and Dressers of Tampico and Other Brush Fibers.

BUTTON FORMS.

[Paragraph 413.]

AMERICAN BRAID MANUFACTURERS ASK FOR HIGHER DUTY FOR BUTTON FORMS OF MOHAIR AND OTHER MATERIALS.

NEW YORK CITY, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Button forms: Lastings, mohair, cloth, silk, or other manufactures of cloth, woven or made in patterns of such size, shape, or form, or cut in such manner as to be fit for buttons exclusively, ten per centum ad valorem.

We recommend that this paragraph be stricken out. It permits the importation of the various manufactured articles therein enumerated at a very much lower rate than provided for in other schedules of this act for the same articles.

At the duty of 10 per cent ad valorem assessed in this paragraph it is impossible for the domestic manufacturer to compete with the foreign manufacturer of these articles, and not only deprives him of any protection whatsoever, but prohibitively discriminates against him by the duty which is imposed on the various yarns of which these articles are made.

Respectfully submitted by the braid manufacturers of the United States.

HENRY W. SCHLOSS,
President American Braid Manufacturers' Association.

BUTTONS.

[Paragraph 414.]

THE AMERICAN BUTTON CO., NEWARK, N. J., WISHES SPECIAL CLASSIFICATION FOR UNIFORM METAL BUTTONS.

70 MORRIS AVENUE,
Newark, N. J., November 24, 1908.

Hon. SERENO E. PAYNE,
Committee of Ways and Means, Washington, D. C.

DEAR SIR: We manufacture metal buttons. These goods are classed under Schedule N, article 414.

The duty on these, while not as high as we would like, is half fair and the competition can be met to a certain extent.

We pray your honorable body, however, that metal buttons used for uniforms be specially classed by themselves. The specific duty on these goods does not protect us, and would pray that an ad valorem duty be imposed of 45 per cent. This would be equivalent to present tariff on articles made from brass, not otherwise specified, Schedule C, article 193.

We hope for this change, as government goods should be made in this country, if possible, and several contracts for buttons, etc., have

recently been awarded to foreign people, something we do not think would be allowed by any other government of the world.

This 45 per cent protection would help us, and we pray for relief.

Respectfully submitted.

AMERICAN BUTTON CO.,
CHARLES K. WRIGHT, *President.*

THE ROCHESTER (N. Y.) BUTTON COMPANY ASKS FOR COMPOUND DUTIES ON VEGETABLE IVORY BUTTONS.

ROCHESTER, N. Y., *November 25, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We address you as manufacturers of vegetable ivory buttons. The present tariff shown in Schedule N, page 44, paragraph 414. We also beg to call your attention to the fact that vegetable ivory, our raw material, comes in free, as it is not grown in this country. This is shown in paragraph 584, page 53.

We beg to refer you to paper presented before the Ways and Means Committee January 21, 1897, and printed on page 1811 of those hearings. This paper was correct at that time, and on which you granted to our industry the present rate of duty. The rate now in force has benefited our industry in so far that the number of employees has been increased (comparing government census of 1900 against 1905) 150 per cent. The amount of capital invested has increased over 100 per cent and the amount of wages paid over 48 per cent. The inclosed paper presented shows that at that time we were paying for labor 450 per cent more than Germany, Austria, or Italy for identically the same class of labor. To-day American labor has been increased as above 48 per cent, and the foreign labor—used then for comparison—but slightly.

We request your honorable committee in the readjustment of the tariff, if consistent, to give us what we asked for in 1897—1 cent per line of one-fortieth of an inch per gross, and in addition thereto 25 per cent ad valorem as a maximum duty and leave the present rate as it is as a minimum duty.

We have several hundred employees depending upon this industry for their living, of all political parties, even socialistic, and they all of them appeal to us to do all that we can to prevent cheap buttons being imported into this country.

Whether we have three-quarters of 1 cent per line per gross and an ad valorem duty, the amount of the duty on buttons on a suit of clothes is so infinitesimally small that it hardly affects the consumer, but it is of very great importance to the manufacturers and their employees. We can not pay present wages if the tariff on our industry is reduced. Italy has practically ruined the button industry in Canada, where they have no specific duty. We need for fair protection a specific as well as an ad valorem duty. An ad valorem duty does not protect anyone, on account of fictitious values, unless in connection with a specific duty.

We appeal to you for fair and legitimate protection for our labor (80 per cent of the cost of the goods is in labor) against foreign labor and a legitimate and legal rate of profit on money invested. As far as our own particular business is concerned, we are perfectly willing to have anyone investigate and substantiate the statement that there have been no excessive profits made. There is no trust, combination, or agreement in the button industry.

We ask your consideration of our request, and beg to remain,

Yours, very truly,

ROCHESTER BUTTON CO.,
H. K. ELSTON, *Treasurer.*

THE WATERBURY (CONN.) BUTTON CO. WISHES PRESENT DUTIES ON CLOTH-COVERED BUTTONS RETAINED.

WATERBURY, CONN., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: One of our products of manufacture is cloth-covered buttons. The raw material from which these buttons are made is, first, tagger's iron, which to-day is almost entirely manufactured in this country. This iron is used as a base over which the cloth is drawn. The cloth covers are largely imported and are dutiable under section N, article 413.

We pray your honorable committee to continue this paragraph as it is. The cloth-covered-button industry is quite varied and largely a matter of fashion.

We have no reliable statistics to offer as to whether the present duty is sufficient to protect American labor as against the foreign labor. We would, however, pray your honorable committee that cloth-covered buttons be continued at present rate of duty, viz, section N, article 414.

The product we are very much interested in is buttons manufactured from vegetable ivory. The raw material (ivory nut) is imported from South America and is on the free list, and we pray your honorable body may remain there. It is our desire that the present tariff stand as classed, viz, Schedule N, article 414. Vegetable-ivory buttons are used for a great variety of garments, and the business as a whole is of no mean proportions. The manufacturers' census of 1905, Bulletin 85, shows that there was produced in the year 1904 vegetable-ivory buttons to the amount of 2,470,409 gross, valued at $1,305,766. This is only about a 20 per cent increase over the census of 1900, and would go to show that the duty as now imposed protected the domestic manufacturers by a very narrow margin.

We therefore pray your honorable committee let paragraph 414 of Schedule N stand as it is and thus protect one of the small but useful industries.

We also manufacture metal buttons. These goods are classed under Schedule N, paragraph 414. It is our desire that your committee let this paragraph remain as it is. The business has made a steady growth since the passage of this act, as is shown by the comparison of census between 1890 and 1905.

	Census of 1890.	Manufacturers' census of 1905.
Number of establishments	106	275
Number of employees	4,036	10,567
Wages paid per year	$1,673,876	$3,680,196

The metal buttons mentioned in article 414 are particularly the fancy buttons, made from metal, used on ladies' suits and ladies' cloaks. These are at times imported in large quantities. These are protected by the specific duty.

We pray your honorable body that metal buttons used for uniforms, such as the United States Army, railroads, steamships, and all other uniforms, be specially classed by themselves. We find that the specific duty on these does not protect us, and would pray that an ad valorem duty be imposed of 45 per cent. This would be equivalent to the present tariff on articles made from brass not otherwise specified, Schedule C, article 193:

"Articles or wares not specially provided for in this act, composed wholly or in part of iron, steel, nickel, pewter, zinc, gold, silver, platinum, aluminum, or other metal, and whether wholly or partly manufactured, 45 per cent ad valorem."

We advise this change from the fact that uniform buttons are plated with a certain amount of precious metal. The value of this plating is generally specified in contract, and is a matter easily found out by the appraiser.

We make this prayer owing to the fact that English competition has been able to take several contracts for furnishing the United States Government army buttons during the past few months. Were they obliged to pay an ad valorem duty of 45 per cent we should be able to hold that business in this country.

Therefore we would recommend that there be added to Schedule N, article 414, a paragraph, as follows:

"Metal buttons for uniforms not specially provided for in this act, 45 per cent ad valorem."

Respectfully submitted.

WATERBURY BUTTON COMPANY,
J. R. SMITH, *President.*

THE STEELE & JOHNSON MANUFACTURING COMPANY, WATERBURY, CONN., WISHES A DUTY OF FIFTY PER CENT PLACED ON METAL UNIFORM BUTTONS.

WATERBURY, CONN., *November 25, 1908.*

Hon. SERENO E. PAYNE,
Committee on Ways and Means, Washington, D. C.

DEAR SIR: We are manufacturers of metal buttons for uniforms particularly, and of late have suffered seriously from foreign competition, both in connection with the general trade and the United States Government as well.

Referring to Bulletin 85, Census of Manufacturers, 1905, Table 11, buttons, shows the value of imports of metal buttons, not specially provided for, as follows: 1900, $58,189; 1905, $233,664, an increase in five years of nearly 300 per cent.

We would earnestly request your honorable body to fix on uniform buttons, manufactured from metal, an ad valorem duty of not less than 50 per cent.

Respectfully,

STEELE & JOHNSON MANUFACTURING CO.,
B. L. COE, *Treasurer.*

B. BLUMENTHAL & CO., OF NEW YORK CITY, THINK AN INCREASE IN DUTY ON BUTTONS IS NOT NEEDED.

514 AND 516 BROADWAY,
New York, November 25, 1908.

Hon. S. E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR:

* * * * * * *

The importation of buttons, which amounted to about $4,000,000 per annum prior to 1890, and would undoubtedly be over $10,000,000 per annum at the present time if the rate of duty had not been advanced, only amounted to $581,887.84 for the fiscal year ending June 30, 1908.

As it is possible that some of the manufacturers may ask for an increased rate of duty, above figures are sufficient to demonstrate that no increased rate of duty is necessary.

Should you at any time desire any further information on paragraph 414 we will be pleased to furnish same.

Respectfully, yours,

B. BLUMENTHAL & CO.

THE UNITED OCEAN PEARL MANUFACTURERS' ASSOCIATION OF AMERICA ASKS MAINTENANCE OF THE PRESENT PROTECTIVE DUTY ON PEARL BUTTONS.

ARLINGTON, N. J., *November 25, 1908.*

WILLIAM K. PAYNE,
Clerk Committee on Ways and Means,
Washington, D. C.

DEAR SIR: The United Ocean Pearl Manufacturers' Association of America begs leave to submit to your committee the inclosed brief, and kindly invite your earnest consideration of the same, relating to the tariff on pearl buttons.

The association representing the various trades that use mother-of-pearl as raw material, beg respectfully to submit to your committee the following:

That there does not exist in the pearl industry any combination of trades of any sort: neither do any agreements or understandings

exist as to maintaining prices: but there is absolutely free competition amongst the manufacturers, and everyone sells his goods as best he can and may.

While it would have been easy for us to submit you all sorts of statistics, we thought that we might prove this fact by a much simpler and more convincing proof.

We beg herewith to annex to this a list of all the companies and individual manufacturers interested in the pearl industry with their names and addresses, and we give you, with each manufacturer's name, his capital rating both according to Bradstreets and Dun's.

Your committee will see therefrom that the highest rating of any, and in a very few instances only, and as a maximum, is $200,000, and that in the majority of cases the capital of the people interested in these industries is only very modest, and in a very great many instances the manufacturers have no capital rating at all.

This proves that although this industry has been protected for the last eighteen years, and although it is to be assumed that a great number of the manufacturers are men of average intellect, yet there has not been a single instance of any fortune having been amassed in this trade.

We make this statement to show that our industry is most certainly not overprotected, and that individual competition makes it impossible for anyone in this industry to amass any fortune at the cost of the general public.

While the official statistics of the custom-house show that the importation of pearl buttons in the year 1905 was $172,101, and in the year 1906, $133,567, and in the year 1907, $164,154, you will see equally from the official government publications that there is practically no export existing from this country, the exception being formed by a small exportation of a few thousand dollars from this country to Canada, which is possible only through local reasons and contiguity of the territory.

Conditions, such as we are told exist in some industries where the surplus production is exported and sold abroad at cheaper prices, do not, and can not exist in our industry, as we can not compete with Europe or other countries on account of labor.

Furthermore, the system in Australia of apprentice labor is in force—that is, boys of 15, 16, or 17 years of age are apprenticed to an employer for three years, during which time they can not leave his service under any condition, and during this time of apprenticeship their wages increase gradually from about 1.50 florins for the first year to 3 florins in the third year.

These apprentices, who, if they are of average intellect, can, after six months, perform in certain branches of the industry (such as cutting, drilling holes, and polishing) the work of a grown-up man, are therefore paid at the rate of about $1 per week, and even under the present tariff for the smaller lines of buttons, which require a great deal of labor, our industry is not overprotected.

This cheaper labor gives European countries also another great advantage—that is, the choice of the raw material which they use. The raw material pays no duty in the United States or in any European country, but the cheapness of labor in Europe is such that

the European manufacturer is able to use the poorest grubby shells (of which we submit sample), and which the American manufacturer can not use, because the high-priced labor would lose too much time in handling such raw material.

The fact is, the raw material comes to America, is sorted out, and the poorest grubbies are reexported to Europe, where they find buyers, while they could not be used in America.

The fact that the importation of buttons from Europe continues is clear proof that even at the present reading of the tariff we are not overprotected against European competition.

Of late years another most formidable danger has arisen for our industry in the shape of Japanese competition. We beg to submit a paragraph taken from the report of the United States consul-general of June of this year, from which your committee will be able to see not only the increase of this industry in Japan, but also the tremendous ratio of increase in exportation of buttons to European countries.

The consul-general mentions that these goods are reexported from these countries, and evidently part of them find their way to this country.

For these reasons, our association, representing the various interests of pearl workers in the United States, request your honorable committee that the present tariff on pearl buttons be maintained.

AN AMERICAN INDUSTRY.

Consul-General Jussen, under date of December 30, 1887, reports as follows:

"The manufacture of pearl buttons is not an industry of the United States and probably never will be. Reason is obvious. Pearl buttons can not be manufactured by machinery, owing to the brittle nature of the shell. This hand labor is performed at the rate of $2 to $2.80 per week."

The above report was previous to the passage of the McKinley bill. Immediately following the operation of the McKinley tariff bill the making of ocean pearl buttons became an important industry in the United States. We are pleased to hand you herewith the importations of pearl buttons previous to this bill, and also the years following from 1891 to 1897, inclusive, showing that this has been a successful industry under the present tariff:

1884	$1,496,000
1886	1,681,747
1887	1,612,000
1888	1,558,000
1889	1,352,000
1891	100,001
1895	375,896
1896	332,210
1897	259,278
1900	36,262
1905	172,101
1906	133,567
1907	164,154

THE JAPANESE INDUSTRY.

Consul-General Henry B. Miller forwards from Yokohama the following information from newspapers published in Japan of industrial development in that Empire:

The manufacture of shell buttons was introduced into Japan by a German about twenty years ago, and factories have since been started in Osaka, Hyogo, Wakayama, and other places. Raw material is imported from India and the South Sea Islands. The principal destination of the buttons is Germany and France, whence they are reexported to other countries. It is stated that lately orders have been received by manufacturers direct from Europe. At present Osaka is the center of the shell-button industry, there being in the city over 60 factories, while there are 12 or 13 in Hyogo and Wakayama, 3 or 4 in Mie, and 2 each in Ishikawa and Oita. There is 1 factory in Okayama which is devoted to the manufacture of buttons from mother-of-pearl. The value of buttons exported last year amounted to $272,600, against $169,900 in 1906 and $74,900 in 1905.

AMERICAN MANUFACTURERS.

Following is a list of American manufacturers of pearl buttons, and their rating:

Manufacturers.	Rating.
American Pearl Manufacturing Company, Philadelphia, Pa	$50,000–$75,000
American Pearl Button Company, New York.	
Astoria Pearl Button Company, Astoria, Long Island.	
Albrecht, J., Winfield, Long Island.	
Blakeman, C., Newark, N. J	35,000– 50,000
Bohm Pearl Button Company, New York	5,000– 10,000
Ballek, F., Secaucus, N. J., less than	500
Bradac, W., Carlstadt, N. J.	
Budin, C., Little Ferry, N. J.	
Bloom & Co., Providence, R. I.	
Cameron Company, W. L., New York.	
Cleveland Pearl Button Works, Cleveland, Ohio	50,000– 75,000
Cimler, J., Secaucus, N. J.	
Cimler, C., Union Hill, N. J.	
Cech, F., New York	10,000– 20,000
Dvorak, J., Little Ferry, N. J	2,000– 3,000
Dvorsky, J., Astoria, Long Island	5,000– 10,000
Davis & Sons, T., Newark, N. J	35,000– 50,000
Delaney, W., Newark, N. J	3,000– 5,000
Dolezal, J., New York.	
Edwards, J., Newark, N. J., less than	500
Empire City Pearl Works, Long Island City, Long Island	125,000–200,000
Essex Pearl Button Company, Arlington, N. J	20,000– 30,000
Eastern Pearl Button Company, Brooklyn, N. Y.	
Federal Pearl Button Company, Newark, N. J.	
Fischer, P., Union Hill, N. J.	
Gemmi Brothers Company, Philadelphia, Pa	20,000– 35,000
Gager, L., Union Hill, N. J.	
Gaffney, J. H., Providence, R. I., less than	500
Garbrel Brothers Company, Philadelphia, Pa.	
Hirshfeld, H., New Milford, N. J	3,000– 5,000
Hirsch & Co., L. H., New York	125,000–200,000
Hamburg Button Company, Newark, N. J	35,000– 50,000
Havsa & Co., New York.	
Haydenville Button Company, Haydenville, Mass	10,000– 20,000
Hrbek, F., Union Hill, N. J	1,000– 2,000
Hodson & Co., J. M., Philadelphia, Pa.	
Hrouda & Co., J., New York	5,000– 10,000
Huebner & Sons, E., Newark, N. J	35,000– 50,000

Manufacturers.	Rating.
Hak, A., Wellington, Conn.	
Hendle, J., Union Hill, N. J.	
Heger, C., Carlstadt, N. J.	$500– $1,000
Halleigh Company, R., Philadelphia, Pa	5,000– 10,000
Hrbeks, R., Little Ferry, N. J.	
Habart, A., New York.	
International Button Company, Rochester, N. Y.	50,000– 75,000
Janitschek, F., New York.	
Kozich, P., Astoria, Long Island.	
Karasek, J., West Hoboken, N. J.	
Krall & Co., Wm., Astoria, Long Island	10,000– 20,000
Koudelka, L., New York.	
Keer & Winters, Newark, N. J.	20,000– 30,000
Kozich, J., Union Hill, N. J.	
Krallert & Zelfellaw, Brooklyn, N. Y.	
Krss, D., New York.	
Kasper, J., West New York, N. J.	
Lawler, S. L. & J. H., Brooklyn, N. Y.	
Lederer & Co., S. B., Attleboro, Mass	20,000– 35,000
Linforth, J., Brooklyn, N. Y.	10,000– 20,000
Myslick, I., Providence, R. I.	
Mousley, A. J., Philadelphia, Pa	3,000– 5,000
Mylnar, C., New York.	
Masinda, Wm., Newark, N. J.	
Mach, E., Little Ferry.	
McCarthy, William, West Willington, Conn.	
Novelty Pearl Works, Secaucus, N. J.	3,000– 5,000
New England Pearl Company, New York	2,000– 3,000
New Jersey Button Company, Claremont, N. H.	30,000– 50,000
Ortman, Providence, R. I.	500– 1,000
Prochaska & Co., J., Newark, N. J.	
Prince, A., Irvington, N. J.	
Philadelphia Pearl Novelty Company, Philadelphia, Pa.	35,000– 50,000
Peerless Pearl Company, Philadelphia, Pa	10,000– 20,000
Popp, J., Chicago, Ill., less than	500
Progress Button Company, Philadelphia, Pa.	
Providence Pearl Button Company, Providence, R. I.	
Pauer, J., Higganum, Conn.	
Roberl, A., West Hoboken, N. J.	2,000– 3,000
Roschman & Bros., R., Ontario, Canada	35,000– 50,000
Rehels Brothers, Newark, N. J.	
Raichelt, H., White Plains, N. Y.	
Smith, P., Vineland, N. J.	
Schwacher, C., Higganum, Conn.	
Schwander, B., Winfield, Long Island.	
Sulley, R., Newark, N. J.	
Sedlacek, A., Newark, N. J.	
S. & S. Novelty Company, Providence, R. I.	5,000– 10,000
Schwetz, R., Long Island City, Long Island.	
Schedwy, R., Little Ferry, N. J.	
Schoen, G., Carlstadt, N. J.	
Schoer, S., New York.	
Tonks Brothers Company, Newark, N. J.	35,000– 50,000
Voclavicek, T., New Durham, N. J.	
Vigilant Button Company, Taunton, Mass	3,000– 5,000
Wallbot, H., New York	20,000– 35,000
Williams & Co., M. F., Providence, R. I.	20,000– 35,000
Weingenroth, E. W., Brooklyn, N. Y.	10,000– 20,000
Webster, H., Philadelphia, Pa.	
Wranek, F., Astoria, Long Island	1,000– 2,000
Zima, J., Union Hill, N. J., less than	500
Zampach, C., Union Hill, N. J.	

Very respectfully,

Committee: A. V. Hamburg, Chairman, President Hamburg Button Co., Newark, N. J.; Thomas Tonks,

President Tonks Bros. Co., Newark, N. J.; Joseph Bohm, Treasurer Bohm Pearl Button Co., New York City, Wm. Krall, of Wm. Krall & Co., Long Island City, New York; J. R. O'Connor, Secretary Essex Pearl Button Co., Arlington, N. J.

STATEMENT OF A. V. HAMBURG, REPRESENTING THE HAMBURG BUTTON COMPANY, NEWARK, N. J., WHO ASKS THAT PRESENT DUTY ON PEARL BUTTONS BE RETAINED.

SATURDAY, *November 28, 1908.*

Mr. HAMBURG. Mr. Chairman, if you will pardon me, I will speak very rapidly, supplementing the brief I am going to leave here, in view of the remarks of the previous speaker.

The CHAIRMAN. That is right; go ahead.

Mr. HAMBURG. Gentlemen, I am here in the interest of pearl buttons. The speaker who preceded me stated that he entered a protest because he understood that there was an advance to be asked for of one-half a cent a line, more or less. Of course, we are not responsible for what he understood. There is no such demand to be made. I am selected to represent the association, and I shall be pleased to state a few facts as briefly as I can.

First, we ask that the present tariff on pearl buttons be retained. Next, we have in our brief for you a full list of the manufacturers engaged in that line of business in the United States, with their commercial ratings, to show you that there have been no fortunes made in that line of business. We have also a scale of wages prepared for you, comparing European countries and this country, to show you our exact position.

Next, there is no "trust," no agreement, no contract, no combination among the manufacturers whereby price, stock, quantity, quality, or anything else is agreed upon. Each manufacturer is allowed to make, turn out, and sell his wares as best he can. Prior to the act of 1890 the pearl-button industry was of no account in the United States. The United States consul-general at Vienna at that time wrote as follows:

The pearl-button industry will never be of any importance in the United States.

He stated his reasons, which were that shell being brittle, machinery could not make it. The price of labor in that country is from $2 to $2.80 a week, and we are paying from $12 to $17 a week.

The minute the McKinley bill went through we turned the imports, which ran from $1,300,000 close to $2,000,000, to $100,000, $200,000, and $300,000; and we turned that stuff out most successfully in this country. After the passage of the act of 1894, when the Wilson bill reduced our tariff, the imports went up again to $300,000 and $400,000; and as a result of the change in the Dingley bill of 1897 we decreased those imports again. I am giving you these sums in round figures because I am in a hurry. That was the result of this

additional protection. To-day the tariff is 1½ cents specific and 15 per cent ad valorem.

The competition that we have in Europe is based upon these facts: The wages in France, in Austria, and in England are about one-half what they are here; in Austria they are less than that. In addition to that, a new competition has sprung up that some of you gentlemen may not have heard about; that is, that the Japanese have entered the field, and there is stuff made by them [producing samples]. If you touch our tariff to the tune of half a cent a line (and when I say "a line," I speak of the American measure, which means forty lines to the inch) you will injure us—there are Japanese goods, there are French goods, and there are American goods. Had I time, I would show you some of the handsomest goods the world has seen that we have made here, and this is an industry that has only been made possible since the McKinley bill allowed us to do it. We are satisfied as it is; but while the business has been carried on very successfully, profits are very close. The condition is such that any questions you gentlemen might ask at any time we would be pleased to answer, and to show that you or your predecessors have made possible this business that is now producing thousands and thousands of dollars in the way of wages.

The CHAIRMAN. Your time has expired.

Mr. HAMBURG. Congressman Clark, when you were in our city in January you were the honored guest of our board of trade and we had the pleasure of receiving you. If you had been able to spend two days there——

The CHAIRMAN. Tell that to Mr. Clark privately. Your time is up.

Mr. HAMBURG. It is? Very well. I thank you, sir.

Mr. BOUTELL. Let me see those Japanese buttons.

Mr. HAMBURG. Yes; I will bring those over, Mr. Boutell. [Exhibiting buttons to Mr. Boutell.]

STATEMENT OF MARSHALL J. CORBETT, REPRESENTING ROTHSCHILD BROTHERS, 466 BORADWAY, NEW YORK CITY, N. Y., RELATIVE TO PEARL BUTTONS.

SATURDAY, *November 28, 1908.*

Mr. CORBETT. Mr. Chairman and gentlemen of the committee, Mr. Rothschild was called to New York. He asked me to state to the gentlemen of this committee that, having considerable interests in the manufacture of pearl buttons in this country and having heard that a delegation from Newark or some other city was coming here to ask for an increase in the duties on those goods, he desires to enter a protest against that. He considers the present duty quite sufficient, and he thinks that it is better for it to remain as it is, both for the interests of the laboring men and for the interests of the business. If desirable, he would like to file a brief in regard to this matter, and also in regard to your hearings.

STATEMENT OF D. A. WILLIS, REPRESENTING THE VIENNA PEARL BUTTON MANUFACTURING COMPANY, 514 BROADWAY, NEW YORK CITY, N. Y.

SATURDAY, *November 28, 1908.*

Mr. WILLIS. Muscatine, Iowa, is our manufacturing point. Mr. Chairman and gentlemen, I address you in the interest of the pearl button manufacturers of the Mississippi Valley, who make pearl buttons from shells found in our western rivers.

Previous to 1890 there were no staple pearl buttons made in America, as the low rate of duty, which was 25 per cent ad valorem, did not allow us to compete with imported buttons.

The McKinley tariff placed a specific duty on pearl buttons, and this specific duty allowed us to start the pearl-button business in America.

The Dingley tariff reduced the specific rate about 35 per cent and also reduced the ad valorem rate.

Under the Dingley tariff the pearl-button industry has grown so that it now employs thousands of people and utilizes a product that was hardly known to exist previous to 1890.

The annual consumption of fresh-water shells by the button factories now amounts to between 30,000 and 40,000 tons.

This gives employment to the shell diggers who gather the shells from the river beds, the transportation companies who haul the shells to the factories, and the thousands of employees in the button factories who make the buttons, and all of whom make good wages.

On account of improved machinery, better methods in manufacturing, and keen competition, the price of these buttons has been gradually reduced so that at present they are selling at about one-half of former prices, and the profit to the manufacturer is exceedingly small.

It is absolutely necessary that the present specific rate of duty be maintained, as even a slight reduction in the specific rate would encourage competition from Europe, and especially from Japan.

This Japanese competition would prove a very serious matter. It did not exist at the time the Dingley bill was framed.

If there was no specific duty to-day, the Japanese would make all the staple pearl buttons used in America.

Pearl-button manufacturing is one of the main and growing industries of a number of cities in the Mississippi Valley and elsewhere, whose population largely depend on the wages received from the button factories for their support.

Mr. Chairman and gentlemen, on behalf of the manufacturers of fresh-water pearl buttons I ask for the maintenance of the present schedule of pearl-button duty.

BITUMINOUS COAL.

[Paragraph 415.]

ORMAN B. HUMPHREY, BANGOR, ME., QUESTIONS THE WISDOM OF A DUTY ON BITUMINOUS COAL.

96½ EXCHANGE STREET,
Bangor, Me., November 13, 1908.

Hon. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR: In view of the present agitation of the proposed tariff revision, it seems appropriate at this time to question the wisdom of the present duty on Nova Scotia bituminous coal. This question is one of vital importance to the State of Maine especially, owing to its proximity to the provinces. With the duty removed, or even materially reduced, Nova Scotia coal would be the direct means of building up great manufacturing industries in this State and throughout New England.

This matter is of such importance to the manufacturing interests in my section of the country that I am prompted to earnestly advocate a very material reduction in, if not the absolute removal of, the duty on Nova Scotia coal.

I sincerely hope this question may be most carefully considered by those who are in a position to act for the general welfare and industrial prosperity of the country.

Yours, respectfully, ORMAN B. HUMPHREY.

JOHN E. WARREN, OF CUMBERLAND MILLS, ME., THINKS THAT THE COUNTRY SHOULD HAVE FREE COAL.

CUMBERLAND MILLS, ME., *November 20, 1908.*

Hon. JOHN DALZELL, M. C.,
Washington, D. C.

DEAR SIR: In common with many other Republicans of New England, I believe in the general principle of protection. I think that we are entitled to free coal and that the general policy of our country should be for free coal on the principle that it is raw material.

We certainly are using up our own supplies of coal rapidly enough, and our coal regions presumably do not need any protection against the Nova Scotia coals that would come to us.

I trust that you will see your way clear to use your influence for this purpose.

Yours, truly, JOHN E. WARREN.

MEMORIAL OF COAL OPERATORS OF THE PITTSBURG, PA., DISTRICT RELATIVE TO RECIPROCAL FREE COAL BETWEEN CANADA AND THE UNITED STATES.

FULTON BUILDING,
Pittsburg, Pa., November 23, 1908.

Hon. JOHN DALZELL, M. C., *Washington, D. C.*

DEAR SIR: On January 24, 1907, the coal operators of western Pennsylvania, representing a production of 35,000,000 tons, wrote you

urging reciprocal free coal between Canada and the United States, and seeking to enlist your aid in the cause. On January 29, 1907, you answered the letter substantially, stating that it was inopportune at that time to take up the subject, but when opportunity offered in revision of the tariff, you would be pleased to give the matter proper attention. I inclose copy of the letter the coal operators sent you in 1907, with the names of the several companies signing the letter

The reasons are even more substantial and strong to-day in favor of reciprocal free coal with Canada, so far as the Pittsburg district is concerned, than at the time we submitted the matter to you, in 1907. The markets and outlet for Pittsburg coal have become very circumscribed on account of other fields opening up and their low freight rates. Canada is the only large market in close proximity to our field that we have at all to-day, and we feel that it is a vital matter to secure reciprocal free coal with Canada. In looking into this matter we are informed that Canada is in a mood at the present time to consider the subject favorably. The coal-mining industry of western Pennsylvania feels that there is every reason why this should be secured, and is unable to see where there are any valid and substantial reasons against it; certainly the coal-mining industry of western Pennsylvania is entitled to as much consideration one way as the iron and steel industry is another. We feel that it is quite important for us that you lend your aid and abilities in securing congressional enactment on this subject. Meanwhile, I would thank you to give expression to your ideas on the subject and what methods we should adopt to push the matter, if that would be necessary. Several operators thought that it ought to be taken up with you first and get your suggestions in regard to how we should proceed in securing reciprocal free coal with Canada, which is, decidedly, a live question with us in this district to-day.

Very truly, yours, D. W. KUHN.

PITTSBURG, PA., *January 24, 1907.*

HON. JOHN DALZELL, *Washington, D. C.*

DEAR SIR: The coal operators, subscribers to this letter, of the Pittsburg district, representing 35,000,000 tons of production of bituminous coal, are deeply interested in and strongly favor reciprocal trade relations between the United States and Canada, with special reference to reciprocal free coal between the two countries. The passage of an act by Congress securing such relations with Canada would enable the coal operators of western Pennsylvania and shippers of Pittsburg district to ship into Canada free of duty a large coal tonnage, which trade would greatly increase and expand with such an impetus. We believe that reciprocal free coal with Canada would be of vast benefit to the coal operators and shippers in western Pennsylvania; and the prosperity of this industry would benefit, directly and indirectly, more people than the promotion of any other industry in the western part of the State. Western Pennsylvania has always been foremost in seeking to protect and benefit its industries—no one has voiced these sentiments more strongly than yourself—and we submit that reciprocal free coal commends itself as urgently necessary as any tariff movement heretofore favored by its representatives in Congress.

Other coal territories in other States have recently been opened up, which, on account of advantages in proximity to markets and freight rates, make it difficult for operators in the western Pennsylvania fields to compete therewith; whereas the comparatively short distance between our coal fields and Canada makes Canadian territory a natural and logical market for our product.

The extensive development in all lines of industry now in progress in Canada are governed as to their location largely by cost of fuel and advantages in securing same; the upbuilding and general development of that part of Canada con-

tiguous to our coal fields will develop a large volume of trade between Pennsylvania and Canada in many lines of commerce other than the coal trade. As a comparatively small amount of coal is shipped from Nova Scotia into New England, on account of the better markets Nova Scotia is now finding for its "bunker" trade, and for the reason that reciprocal free coal with Canada would be of such vast benefit to western Pennsylvania, we believe that the time has arrived when we should secure by congressional enactment the privilege of shipping coal into Canada free of duty.

We would respectfully assure you that the coal interests of western Pennsylvania feel deeply on the subject, and believing that it is for the best interests of this part of the State we urgently request that you lend your aid and abilities in securing reciprocal free coal between the United States and Canada, for which the undersigned would thank you.

Yours truly,

Pittsburgh Coal Company, W. R. Woodford, vice-president; Pittsburgh and Westmoreland Coal Company, H. A. Kuhn, president; Blaine Coal Company, Pittsburgh-Buffalo Company, David G. Jones, secretary; Youghiogheny and Ohio Coal Company, J. G. Patternson, vice-president; Great Lakes Coal Company, Emmett Queen, president; Pittsburgh Plate Glass Company, W. L. Clause, president; Carnegie Coal Company, J. T. M. Stoneroad, secretary and treasurer; Verner Coal Company, H. J. Verner, president; J. H. Sanford Coal Company, United Coal Company, W. S. Kuhn, president; Fayette Coal Company, A. M. Bell; Richards Coal Mining Company, H. S. Richards, secretary; The People's Coal Company, G. W. Thomas, general manager; Braznell Coal Company, A. S. Braznell, president; Dunkirk Coal Company, A. S. Braznell, manager; Meadowlands Coal Company, W. L. Dixon, general manager.

STATEMENT OF JOHN E. WARREN, REPRESENTING S. D. WARREN, & CO., BOSTON, MASS., AND CUMBERLAND MILLS, ME., ASKING FOR REDUCTION OF DUTY ON BITUMINOUS COAL.

SATURDAY, *November 28, 1908.*

Mr. WARREN. I represent the firm of S. D. Warren & Co., Boston, Mass., manufacturers of pulp and of paper, asking for a reduction or repeal of the duty on bituminous coal, and I will submit their statement.

I will briefly state that there were imported into the United States in the year 1907 about 2,100,000 tons of bituminous coal, of which about 1,400,000 tons, or two-thirds, came from British North America, and something over 600,000 tons came from Nova Scotia. The Nova Scotia coal is the article in which we are particularly interested, although, of course, I suppose that the duty on coal would refer to all bituminous coal; that is, a reduction would include all bituminous coal imported into this country. This 2,100,000 tons imported is but about six-tenths of 1 per cent of the bituminous coal that was produced and used in this country in the year 1907. The duty on this coal is 67 cents a gross ton. The duty, however, on the slack or culm is but 15 cents per gross ton, and is not prohibitory.

As a citizen of the State of Maine, and a protectionist, I believe there is no reason other than revenue why there should be a duty upon bituminous coal. The coal producers of this country certainly do not need protection, and if they did this would not suffice. This is the nearest coal to us and ought to be used along the entire New England coast. It would not penetrate very far into the country. We in New England need it. The manufacturing industries of New England need it in competition with the cheap coal of Pennsylvania

and of Virginia. Cheap coal is ofttimes cheaper than water power; and we need to import this coal, which would be used all along the New England coast. It would probably not be used over the country more largely than that.

That is, I think, all I have to say; and I should like to submit my statement.

Mr. CLARK. Did you say you were in the wood-pulp business?

Mr. WARREN. Yes.

Mr. CLARK. And you want this coal as an aid to making wood pulp?

Mr. WARREN. Well, yes—chemical pulp.

Mr. CLARK. And you are not willing to take any of the tariff off of wood pulp, as was thoroughly demonstrated here?

Mr. WARREN. I have not said that yet.

Mr. CLARK. Everybody else that was given a hearing about it said it, except one fellow; and the others all pitched into him.

Mr. WARREN. As a paper manufacturer, I will state that we would not oppose a revision of the tariff on paper.

Mr. CLARK. You are willing to cut it down?

Mr. WARREN. We are willing to have it cut down; and if it is accompanied with a reduction of the duty on the material that goes into paper, like coal and chemicals and clay, I do not know but that we would agree to the repeal of the tariff on paper.

Mr. CLARK. I am glad to hear it.

Mr. WARREN. I am speaking only for the institution that I represent.

Mr. CLARK. I am delighted to make your acquaintance.

Mr. WARREN. I am not speaking for the news men at all.

(Mr. Warren's brief is as follows:)

NOVEMBER 25, 1908.

The Hon. SERENO PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We, the firm of S. D. Warren & Co., of Boston, Mass., are paper and pulp manufacturers, operating mills at Cumberland Mills, Me., Yarmouth, Me., and Gardiner, Me.

Our total consumption of coal is between 100,000 and 120,000 tons per annum, of which at present some 50,000 tons come from Nova Scotia. This is the natural source of coal for New England, and in the early days of manufacturing it was almost the only source. The amount of coal sold by Nova Scotia to go to the United States was, in 1907, 616,312 tons, of which 545,652 tons were shipped to Boston. The duty on bituminous coal is 67 cents per gross ton and on slack or culm 15 cents per gross ton. Data as to what amount of this was slack and what was run of mine is not available, but it is safe to say that it paid an average duty of 40 cents per ton, or $246,525, which is a very considerable burden for the industries of New England to bear, handicapped as it is by its distance from the resources of the country.

The total coal imported for the year 1907 was 2,116,122 tons, of which 1,398,194 tons came from British North America. Foreign coal is supplied to New England, the Gulf ports, the Pacific ports, and along the western Canadian border, at points where it is in a way

the natural supply, and where distance and consequent high freights make the competition of American coal practically impossible, or at least difficult. For that reason we believe that the interests of the manufacturing communities in those districts are best served by the removal of the duty on coal, which removal would lift a very appreciable burden from the manufacturer, with a comparatively small reduction in the revenue and, we believe, without any commensurate injury to the coal producers of the United States.

Total bituminous coal produced in the United States for the year 1907	net tons	383,698,543
Equivalent to	gross tons	342,587,985
Total bituminous coal imported	do	2,116,122
Total bituminous coal used	do	344,704,107

Total coal imported is six-tenths of 1 per cent of the total bituminous coal used.

Yours, very truly, S. D. WARREN & Co.

P. S.—The statistics used are based, first, upon the Treasury reports; second, upon a book entitled "The Coal Trade," by Frederick E. Saward, editor of the Coal Trade Journal.

TESTIMONY OF E. H. M'CULLOUGH, OF PHILADELPHIA, PA., ADVOCATING A PROTECTIVE DUTY ON COAL.

THURSDAY, *December 10, 1908.*

(The witness was sworn by the chairman.)

Mr. MCCULLOUGH. Mr. Chairman, I would like to say I am not here alone representing the Westmoreland Coal Company, but I have with me delegates representing practically the entire output of bituminous coal of Pennsylvania and West Virginia, representing approximately 200,000,000 tons of coal. Some of these gentlemen, I think, would like, with your kind permission, to say a few words when I finish the very few words I am going to say.

We were very much alarmed last week when we saw some suggestion in the newspapers that coal was to be placed upon the free list. We are very peculiarly situated in this country. We have on the northeast Nova Scotia, Cape Breton, with inexhaustible supplies of coal, and on the northwest Vancouver Island, which occupies the same position to the northwest that Nova Scotia does on the northeast. I had the honor of appearing before this committee in 1897 and testifying to what protection we required, and was able to state at that time that a year or so before we had a very long strike at our mines and we were under contract with some New England gas companies to supply them with coal, strike or no strike, and the result was they sent to Nova Scotia and got coal, and the experts had sat upon the question and decided that the economic value of Nova Scotia coal was 70 cents lower than that of the best American gas coals. At the present time Nova Scotia coal can be laid down in Boston at about $3.50 a ton. Of course you understand that the Nova Scotia mines—that is, I should say the mines of Cape Breton—are close to the seaboard, the average freight being 75 cents

a ton, as against $1.75 a ton from Pittsburg to Philadelphia. The water haul is about the same from Nova Scotia as from Newport News, in Virginia.

The CHAIRMAN. Do you happen to remember the year in which the duty was suspended on coal?

Mr. MCCULLOUGH. It was the 11th of January, 1903.

The CHAIRMAN. The 11th of January, 1903, for one year?

Mr. MCCULLOUGH. Yes. The result was that the imports of Nova Scotia coal were more than doubled in that period of twelve months.

Mr. COCKRAN. How much in tons did that amount to? What was the actual increase of importation?

Mr. MCCULLOUGH. We will say that the imports rose from 700,000 tons to about 3,500,000 tons.

The CHAIRMAN. Are you not entirely mistaken about that?

Mr. MCCULLOUGH. No, sir.

The CHAIRMAN. No; I see I have the wrong place in my book.

Mr. MCCULLOUGH. They rose to about 3,500,000 tons, which was about double the amount that came in in the previous twelve months. As I was saying, the present price of Nova Scotia coal in Boston, according to the most recent information I could procure, is about $3.50.

The CHAIRMAN. Of course these are fiscal years, ending the 30th of June?

Mr. MCCULLOUGH. Yes.

The CHAIRMAN. For the year ending June 30, 1899, it was 1,040,000 tons. The next year it was 1,278,000 tons. In 1901 it was 1,374,000. In 1902 it was 1,347,000 tons. In 1903—that is, up to the 30th of June, six months of the period—it was 1,118,000, a falling off; and for the year 1904, up to the 30th of June, it was 416,000 tons. So the statistics actually show that there was less coal imported under the free clause for the year than there was in the previous year; and then when we get down again to the years 1906 and 1907 there is over a million tons imported again.

Mr. MCCULLOUGH. My authority in this matter is The Coal Trade, which is very carefully compiled.

Mr. COCKRAN. There seems to have been an increase in the anthracite coal for 1903, which is remarkable.

The CHAIRMAN. You remember how that was. There was a very liberal interpretation as to what was anthracite coal.

Mr. COCKRAN. Yes; I remember.

Mr. DALZELL. We had that case before us.

Mr. GAINES. Below the figures you are reading I think you will find the duty remitted and the importations there for 1904.

The CHAIRMAN. Yes; that is correct. With the duty remitted there was 982,000 tons.

Mr. DALZELL. What are those figures?

Mr. MCCULLOUGH. The figures according to Sayward's Coal Trade?

The CHAIRMAN. I am glad you called my attention to that. This is correct. There is the total below. For the year ending June 30, under the act of January 15, 1903, there was imported coal where the duties were remitted amounting to 698,000 tons, and in 1904 up to the 30th of June, with duties remitted under the act of June 15, 1903, there were imported 982,000 tons.

Mr. DALZELL. Let us get his figures.

Mr. MCCULLOUGH. The figures given by the Coal Trade Journal, which is subject to the scrutiny of all coal men and is always pronounced to be correct, for the year ending June 30, 1902, amounts, for bituminous coal imported, to 1,941,120 tons. That was the importation. For the year ending June 30, 1903, during which time the duty was not in force, it was 3,610,225 tons.

Mr. COCKRAN. Where did you get those figures?

Mr. MCCULLOUGH. I get these figures from the Coal Trade Journal, published annually by The Coal Trade, which is the leading coal paper in the United States relating to such matters. For the year ending June 30, 1902, the importation of bituminous coal into this country from all sources was 1,941,120 tons. Early in January the duty was remitted and the importation for the following twelve months, ending June 30, 1903, was 3,610,225 tons.

Mr. COCKRAN. Those figures are entirely different from what we have here.

Mr. DALZELL. You have to put together three different figures in what we have before us.

Mr. COCKRAN. It does not tally, even putting them together.

Mr. DALZELL. For 1903 it is 1,118,468 and 417,476 and 1,698,382.

Mr. GAINES. What were your figures, Mr. McCullough?

Mr. MCCULLOUGH. Six million one hundred and ten thousand two hundred and twenty-five for the year ending June 30, 1903, and 1,941,120 for the year ending June 30, 1902.

Mr. FORDNEY. Have you the amount for the next year—1904?

Mr. MCCULLOUGH. Yes, sir; the duty was replaced.

Mr. FORDNEY. Is that dollars or tons?

Mr. MCCULLOUGH. Tons.

Mr. FORDNEY. You have half of the fiscal year ending June 30, 1904. Take any part of it.

Mr. MCCULLOUGH. The fiscal year ending June 30, 1904, it was 1,946,322 tons, which is practically the same as the year before the duty was remitted.

Mr. FORDNEY. Yes. The fore part of the year 1903 is where the great change took place?

Mr. MCCULLOUGH. Yes; between January and July.

Mr. FORDNEY. It almost doubled up.

Mr. MCCULLOUGH. That is when the great demand came, and there was a great scarcity of coal.

Mr. UNDERWOOD. This item where the duty was remitted, the coal amounted in 1903 to 1,698,382 tons. Was not that coal imported mostly into Boston and the eastern ports at a time when there was a coal famine and the tariff was taken off entirely?

Mr. MCCULLOUGH. Yes, sir; but your figures do not tally with mine.

Mr. UNDERWOOD. These are figures where the duty was remitted, the coal having been brought in under the name of anthracite, when it ought to have been classed as bituminous coal. The duty was remitted.

Mr. MCCULLOUGH. Under this act of 1903 the duty on all coal was remitted. There was no tariff of any kind or description.

Mr. DALZELL. My figures are not far from yours. I make it 3,799,000.

Mr. COCKRAN. What do you make it, Mr. McCullough?

Mr. MCCULLOUGH. I make it 3,625,000.

Mr. COCKRAN. That is near enough.

The CHAIRMAN. Proceed.

Mr. MCCULLOUGH. We were talking about the present situation, and the very low rail transportation from Cape Breton and the corresponding boat transportation from Newport News. At the present time this Dominion coal can be laid down in Boston "alongside wharf," as it is called, at $3.50 a ton. If you take 67 cents off of that, it would make the price $2.83. The price of the best American coal at the present time, which is comparing brands, would be $3.75 a ton.

Mr. COCKRAN. That is domestic coal?

Mr. MCCULLOUGH. The best domestic coal against the best Nova Scotia coal.

Mr. COCKRAN. It would be how much?

Mr. MCCULLOUGH. It would be $3.75. Now, the economic value of our coal being placed at 70 cents higher, if the duty was off that would put the Dominion coal at about 18 cents below the economic value of the best domestic coals and will open the market wide to this coal coming in. Taking that duty off doubled their shipments in six months, and we claim that owing to this geographical disadvantage which we have, where we have to haul the coal anywhere from 350 to 400 miles, we need this protection.

The CHAIRMAN. When that coal came here in such large quantities with the duty off, it was just after a coal famine and the price of coal had gone up in the United States a dollar or two a ton, had it not?

Mr. MCCULLOUGH. It had gone up considerably, but those people put their price up in a corresponding way. They simply put the price where the New England people would take it. They did not benefit particularly by it.

The CHAIRMAN. Yes; but there was a dearth of coal in the country?

Mr. MCCULLOUGH. That was occasioned by the anthracite strike.

The CHAIRMAN. Yes; and the price was abnormally high here, and there was a great temptation to ship coal in.

Mr. MCCULLOUGH. Yes; it was very high; but at the same time they could not ship it in until they took the duty off.

The CHAIRMAN. What part of that increased shipment under the act of January 15, 1903, came from Canada?

Mr. MCCULLOUGH. Nearly all of it.

The CHAIRMAN. None from Great Britain?

Mr. MCCULLOUGH. Some coal was brought in from Wales. They called it Welsh anthracite.

The CHAIRMAN. That was before we passed the act of January 15, 1903.

Mr. MCCULLOUGH. No, sir; it was afterwards.

Mr. DALZELL. It was afterwards.

Mr. MCCULLOUGH. There was no duty on anthracite coal at all.

The CHAIRMAN. We made all coal free. But that did not make any difference; whether it was anthracite or bituminous coal, under the act of January 15, 1903, it all came in free, did it not?

Mr. MCCULLOUGH. Yes; it all came in free.

The CHAIRMAN. It was previous to that and during the coal strike that the department made what was called a very liberal interpretation, and they brought in coal that had been known as bituminous coal as anthracite coal. That came from Wales?

Mr. McCULLOUGH. Yes, sir.

The CHAIRMAN. In considerable quantities. I have the figures here. But after we passed the act of January 15, 1903, there was no question about those coals from Great Britain, that they should come in free from Wales. Are you able to say what proportion of the coals imported under the act of January 15 free of duty for the year came from Canada and what from Wales or other countries?

Mr. McCULLOUGH. I would say that nine-tenths of the coal came from Canada.

The CHAIRMAN. Nine-tenths of it?

Mr. McCULLOUGH. At least nine-tenths.

The CHAIRMAN. Another question, What is the quality of the Canadian coal as compared with our coal?

Mr. McCULLOUGH. I just stated that they put what you might term the economic value of the Dominion coal—that is, Nova Scotia coal—at 70 cents a ton less than that of the best of our coal.

The CHAIRMAN. Seventy cents a ton less?

Mr. McCULLOUGH. The Dominion coal is sulphurous, and is not of good quality. It shows a large amount of ash. But there is a certain point where you can bring coal together, and you can almost sell mud as coal if you sell it cheap enough.

The CHAIRMAN. The economic value of that coal is less?

Mr. McCULLOUGH. Yes; it is so stated by the experts.

Mr. COCKRAN. You state that the value of domestic coal at Boston is $3.75 a ton?

Mr. McCULLOUGH. That is the present price.

Mr. COCKRAN. That is what you sell it at?

Mr. McCULLOUGH. Yes.

Mr. COCKRAN. What does it cost you to produce it? What does it cost you, I mean, laid down in Boston?

Mr. McCULLOUGH. I suppose it costs us about $3.60.

Mr. COCKRAN. So that your profit is 15 cents a ton on that?

Mr. McCULLOUGH. Yes; I think any bituminous operator who makes 15 cents a ton on his output thinks he is doing extremely well.

Mr. DALZELL. Under existing conditions what coal supplies the New England market?

Mr. McCULLOUGH. The New England market took last year 600,000 tons of Nova Scotia coal even at the disadvantage in quality. The rest of the coal, some of it is shipped from Philadelphia, Pennsylvania coals, and a great deal is shipped from Newport News, from Lamberts Point, and some from Baltimore, and some from New York. Pennsylvania and Virginia supply the New England market.

Mr. COCKRAN. How many tons do they send to New England as compared to Canada?

Mr. McCULLOUGH. I have not that figure, so that I would be guessing if I undertook to tell you.

Mr. COCKRAN. Have you any idea what the output and consumption of domestic coal is in the country altogether?

Mr. McCULLOUGH. In the country?

Mr. COCKRAN. Yes.

Mr. McCULLOUGH. Yes, sir; I can tell you that for the year 1907. The total output of coal for the whole of the year 1907 was 383,000,000 tons of bituminous and 77,000,000 tons of anthracite, making a total of 477,000,000 tons of coal produced in the country.

Mr. COCKRAN. And except for the New England market the domestic coal constitutes the entire supply of the country, does it not?

Mr. MCCULLOUGH. Yes. There is some Australian coal brought into San Francisco and some Vancouver Island coal sent to Puget Sound for Tacoma and Seattle and places of that kind.

Mr. COCKRAN. The Pennsylvania and West Virginia coal mines, of course, have a more convenient access to New England than the Birmingham coal mines?

Mr. MCCULLOUGH. Birmingham does nothing with New England, so far as I know.

Mr. COCKRAN. Yes; and the Pennsylvania and West Virginia coal mines have as much advantage over the Alabama output as Canada has over you, so far as the New England market is concerned?

Mr. MCCULLOUGH. They have their own markets—legitimate markets—and we have ours.

Mr. COCKRAN. "Legitimate" is an adjective, and it is sometimes elastic. The point I want to get is this: You here have a market in this country for 470,000,000 tons of coal.

Mr. MCCULLOUGH. All kinds of coal.

Mr. COCKRAN. And now I understand you want this duty maintained so as to get those 600,000 tons additional. That is, you want to impose a tariff tax all over this country so as to get the right to dispose of and control this market of 600,000 tons?

Mr. MCCULLOUGH. I did not say 600.000 tons. I said that was the amount of Nova Scotia coal that goes into Boston alone.

Mr. COCKRAN. There is no other product that goes in there, is there?

Mr. MCCULLOUGH. No, sir; on account of the tariff.

Mr. COCKRAN. I understand that.

Mr. MCCULLOUGH. But I suppose if the tariff was removed, instead of being 600,000 tons it would be 16,000,000 tons, or something of that kind.

Mr. COCKRAN. Why do you think that, in view of the fact that with the coal tax off and an extraordinary demand for coal in this country the most that ever came in was 3,000,000 tons?

Mr. MCCULLOUGH. It takes time. Trade is a thing that cuts a very deep channel, and it takes time for business to readjust itself. Those people, I suppose, had not the productive capacity. They boomed up their capacity to double what is was inside of six months, as you can see from the figures. It is like a plant of slow growth. It would ultimately drive us out.

Mr. COCKRAN. That amount would be 4 per cent of the entire production if they sent here 16,000,000 tons. Assume that your worst apprehensions are realized, it would amount to 4 per cent of the total consumption.

Mr. MCCULLOUGH. The internal consumption is not affected by the tariff one way or another.

Mr. COCKRAN. I understand that, but I merely wanted to get what your proposal to this committee is. With the present tariff, 600,000 tons come in. With the tariff remitted, 3,000,000 tons came in.

Mr. MCCULLOUGH. Three million six hundred thousand tons.

Mr. COCKRAN. You apprehend that if the tariff is remitted 16,000.000 would come in. Now, granting that your apprehensions should form the basis of our tariff legislation, the amount that you

want to keep up by this tariff is just a little less than 4 per cent, about 3½ per cent, of the total consumption of the country?

Mr. McCULLOUGH. Yes; something like that.

Mr. COCKRAN. That is the point I had in mind.

Mr. DALZELL. What company did you say you represented?

Mr. McCULLOUGH. The Westmoreland Coal Company.

Mr. DALZELL. I put in the record a letter sent me by a large number of large coal companies of western Pennsylvania, which calls for reciprocal free coal with Canada. Is that your attitude?

Mr. McCULLOUGH. That is the point I was just about to touch upon and I was very glad that this discussion was had, because it leads up most thoroughly to what I had to say. We will assume that you do put our coal on the free list. We feel that we are entitled to a quid pro quo.

Mr. DALZELL. That is the point I had in mind.

Mr. McCULLOUGH. We supply the Province of Ottawa almost entirely with their coal, and they have a duty equivalent to 60 cents. It is 53 cents on 2,000 pounds, which is equal to 60 cents per gross ton, and our duty is 67 cents.

The CHAIRMAN. Anthracite coal?

Mr. McCULLOUGH. No; neither country charges any duty on anthracite coal. We claim if our New England market is to be destroyed by the abolition or reduction of the tariff, that we should never for one moment lend ourselves to anything of that kind unless Canada meets us half way and says: "Gentlemen, you take your duty off and we will take ours off." Then we will be able to take care of ourselves. But to have our New England market destroyed and get nothing for it I do not think would be at all in line with the policy of this country.

Mr. DALZELL. That would give the Canadian market to western Pennsylvania, Ohio, and West Virginia. How would that affect the market for western coal, away out in Wyoming, that has to compete with British Columbia?

Mr. McCULLOUGH. It would have just about the same effect. The only concerns that I think would be affected are the miners of coal in the State of Washington. Vancouver Island coal is very excellent in quality, and, as you doubtless remember, Vancouver Island comes down considerably south of the southern line of that country. In fact, it almost fills in the head of Puget Sound. They can put their coal in at Tacoma and Seattle and other points along the line of Puget Sound, and I think it would injure the western operators and also would probably benefit the Australian operators to some extent who send coal to San Francisco for bunkering purposes. In San Francisco they run their stationary engines and everything else on black oil, but there is an immense amount of bunkering coal in San Francisco.

Mr. HILL. Would it not help the Newcastle mines and give them a market up there?

Mr. McCULLOUGH. Do you mean Newcastle, England?

Mr. HILL. No; in Wyoming.

Mr. McCULLOUGH. I am not able to express an opinion on that of any value. I tried to get somebody to come here out of that region and give the committee the benefit of their experience, but nobody seemed able to come.

Mr. HILL. I want to say that when we passed the act of January 15, 1903, the people in the State of Wyoming were very apprehensive about the effect of that, and I was afterwards informed that for some reason or other the freight rates went up, but the Dominion coal did not come into Wyoming or interfere with their business during the year.

Mr. MCCULLOUGH. I fear that times have changed.

Mr. HILL. It is simply a coincidence.

Mr. FORDNEY. Did I understand you to say that there are large quantities of coal going into San Francisco?

Mr. MCCULLOUGH. No; because the bunkering demand is limited. There is no use for coal there. They run their locomotive and stationary engines with oil, which is very cheap, but there is some little coal goes to San Francisco from Washington. That is a State where they produce about 3,000,000 tons of coal per annum. A great deal goes there from Vancouver Island and some little from Australia. In fact, for some purposes they ship Georges Creek coal around from Baltimore to San Francisco for smithing purposes.

Mr. FORDNEY. If this change were made the Vancouver coal, owing to the cheaper freight rate from Vancouver to San Francisco, would go in there and the Washington coal could not get into San Francisco?

Mr. MCCULLOUGH. I believe it would be barred. There was a gentleman here at the hearings of 1893 who declared that if the tariff was removed it would destroy the American coal trade in San Francisco.

Mr. FORDNEY. Does the cost of the labor enter into this?

Mr. MCCULLOUGH. The Japanese contract labor is what we have to contend against, both in the Vancouver mines and in the Crows Nest Pass mines.

Mr. CRUMPACKER. That is Japanese contract labor?

Mr. MCCULLOUGH. Yes.

Mr. CRUMPACKER. At low wages?

Mr. MCCULLOUGH. Yes; very low. I do not know what they are.

Mr. CRUMPACKER. If we had free trade with Canada, and Canada followed us on the coal proposition, the chances are that it would give us as much of a market as we would lose elsewhere, would it not?

Mr. MCCULLOUGH. That is my judgment, that we would just about make up what we would lose.

Mr. CRUMPACKER. We would undoubtedly lose a great deal to the east of Cape Cod, but I believe we could make it up in the Province of Ottawa and at other points. The price of coal on the Atlantic coast would be a little lower to the consumer?

Mr. MCCULLOUGH. It would be impossible for us to make any lower prices on the present rate of wages.

Mr. CRUMPACKER. But you feel that with free trade you would lose the New England market largely?

Mr. MCCULLOUGH. To some extent.

Mr. CRUMPACKER. Because the price would be lower?

Mr. MCCULLOUGH. The Nova Scotia price could be put at such a figure that the economic value of their coal would stand the New England consumer about 18 cents a ton less than our price at the present time, and it would be a temptation to them, of course, to buy that coal.

Mr. CRUMPACKER. We sell Canada now something over $6,000,000 worth a year of coal, with a tariff of 60 cents a ton?

Mr. MCCULLOUGH. Yes, sir.

Mr. CRUMPACKER. And that market could be extended if we had reciprocal free trade?

Mr. MCCULLOUGH. It seems to me if Congress takes the duty off of American coal they certainly should not do it unless Canada takes it off of her coal. In fact, I think a bill should be drafted making provision for such a reciprocal arrangement.

Mr. BONYNGE. You are referring to the Pennsylvania coal operators and not to the western operators when you say we would gain as much as we would lose?

Mr. MCCULLOUGH. West Virginia, Pennsylvania, Ohio, Indiana, and Illinois; all regions shipping coal into Canada.

Mr. BONYNGE. What the effect would be on the western operators you are not prepared to say?

Mr. MCCULLOUGH. No, sir. However, my opinion is that the little trade that the State of Washington has in San Francisco would be destroyed. They hold their position with great difficulty now.

Mr. GAINES. Do you speak with authority for anybody in the Chesapeake and Ohio field and the New River coal field?

Mr. MCCULLOUGH. I had some conversation with Mr. Bullitt the other day.

Mr. GAINES. That would be the Norfolk and Western?

Mr. MCCULLOUGH. Yes.

Mr. GAINES. The situation is similar to that in the New River field?

Mr. MCCULLOUGH. Yes.

Mr. GAINES. What did Mr. Bullitt say?

Mr. MCCULLOUGH. He said that he was a Democrat, and he would not come down here. [Laughter.]

Mr. GAINES. Does that mean that Mr. Bullitt did or did not have any opinion on the matter?

Mr. MCCULLOUGH. He had precisely the same opinion that I had.

Mr. GAINES. Then you understood from Mr. Bullitt that he was in favor of reciprocal free coal as to the Norfolk and Western?

Mr. MCCULLOUGH. I did not ask him the question. I only asked him what effect the duty would have on the New England market.

Mr. GAINES. I ask you these questions because I come from West Virginia myself, and I have not heard from those people definitely, and I wanted to know what their knowledge of the coal field leads them to.

Mr. MCCULLOUGH. We have a gentleman here from West Virginia.

Mr. GAINES. Where is your mine?

Mr. MCCULLOUGH. Westmoreland County, Pa.

Mr. GAINES. How far is that from Pittsburg?

Mr. MCCULLOUGH. Twenty miles east of Pittsburg.

Mr. GAINES. What is your rate to the Lakes?

Mr. MCCULLOUGH. I think the rate is 85 cents. We ship practically nothing to the Lakes, and when we do ship there we sell f. o. b. mines; but I think the rate is 85 cents. There are several gentlemen here who can answer that question.

Mr. GAINES. Your Lake rate is 85 cents?

Mr. MCCULLOUGH. I do not say that positively. I am not sure about that.

Mr. GAINES. How do you propose, if we have reciprocal free coal with Canada, to get your coal to Canada; by an all-rail haul?

Mr. MCCULLOUGH. There are half a dozen ways of getting it there. You can take it across the river at the International Bridge—that is, across the Niagara River, across the suspension bridge—or you can ship it across in cars from Conneaut. There are half a dozen ways.

Mr. GAINES. By water or by ferrying the cars across the river?

Mr. MCCULLOUGH. By boat, by ferry, or by bridges. There are three ways of getting it into Canada.

Mr. GAINES. What would be your rate?

A BYSTANDER. Eighty-eight cents is the Lake rate.

Mr. MCCULLOUGH. I thought it was 85 cents.

Mr. GAINES. What would that make your rate to the Canadian territory that you want to make such an arrangement with?

Mr. MCCULLOUGH. That would depend on the way it is sent. For instance, if you sent coal from our mines to Toronto, I think the freight rate is $1.71 by rail. That I am not sure of.

Mr. GAINES. What is your New England rail rate? Do you have any all-rail rate to New England?

Mr. MCCULLOUGH. Yes; we send coal up to within perhaps 20 miles of the seaboard. Otherwise we ship, for instance, to Boston or Portland or Lynn or any of those places. It is sent to Greenwich. That is the shipping point of Philadelphia. Then it is transshipped into boats.

Mr. GAINES. What is your rate to Philadelphia?

Mr. MCCULLOUGH. One dollar and fifty cents.

Mr. GAINES. What is your barge rate or vessel rate from there?

Mr. MCCULLOUGH. That is a varying quantity, depending upon the season of the year and the demand for barges. I suppose it would run from perhaps 50 cents as an extreme minimum up to $1, which is a fair maximum.

Mr. GAINES. Did you give me the all-rail rate from New England to your mines?

Mr. MCCULLOUGH. No; I do not know what it is.

Mr. GAINES. Have you an analysis of the Nova Scotia coal?

Mr. MCCULLOUGH. I have not got it with me.

Mr. GAINES. Unless somebody else should put such an analysis into the record to-day, will you furnish one to the committee?

Mr. MCCULLOUGH. Yes, sir; I will. I can furnish you with a number of them, and also with an analysis of our coals, and nearly every other American coal.

Mr. GAINES. We would like to have the comparison. I would like also to have a comparison of the Nova Scotia coal and your coal, for instance, in British thermal units.

Mr. MCCULLOUGH. Yes; I can give you that.

Mr. GAINES. What section of Canada is it that you expect to ship your coal to under such arrangements, preferably in large quantities? I do not mean an occasional shipment, but where do you expect to ship in large quantities?

Mr. MCCULLOUGH. From Montreal on the extreme east to any distance in the west you can think of, Winnipeg or any other place that comes within our scope.

Mr. GAINES. As you have contemplated this proposition of reciprocal free coal, what has been your view of the matter, that you

would ship there for domestic purposes or for manufacturing purposes?

Mr. McCULLOUGH. We would ship for domestic and manufacturing purposes, both.

Mr. GAINES. In other words, that the Canadian manufacturing would be largely stimulated in that section of Canada?

Mr. McCULLOUGH. That is what the Canadians claim, that if they got more coal they could manufacture more goods and the population would expand more rapidly and the country would be benefited by it. But if you go down to Nova Scotia you find that the people there are, of course, intensely high-tariff people. You go to the Province of Ottawa, where they have to get their coal all from the United States, and they are free traders. The tariff is, as old General Hancock said, purely a local issue.

Mr. GAINES. Is anthracite coal free in Canada now?

Mr. McCULLOUGH. Yes.

Mr. GAINES. That is all I have to ask.

Mr. DALZELL. I have a letter this morning signed by a gentleman who is the head of the Pittsburg-Westmoreland Company.

Mr. McCULLOUGH. The Pittsburg-Westmoreland?

Mr. DALZELL. Yes; with a hyphen between the two names. Is that your company?

Mr. McCULLOUGH. No; I have no connection with it.

Mr. DALZELL. He is also in favor of reciprocal free coal.

Mr. McCULLOUGH. He filed a brief about two years ago.

Mr. DALZELL. That is what I put in the record the other day.

Mr. McCULLOUGH. I noticed it was in the record, and I simply cite that as being the opinion.

Mr. DALZELL. I notice how much depends on the point of view. This party says:

> The demand for coal in Canada comes largely from a territory which would be naturally supplied by western Pennsylvania and eastern Ohio, and the upbuilding and general development of that part of Canada will depend somewhat on its facilities for securing our coal.

On the other hand, we have several letters, which are in the record, from parties in New England, who want free coal on the ground that we want to exhaust Canada of her supply and save our own.

Mr. McCULLOUGH. That is a very ingenious argument, but I do not think there is anything in it.

Mr. UNDERWOOD. I would like to ask you a few questions about the production of your coal. How do you estimate your coal, by the long ton or the short ton, in Pennsylvania?

Mr. McCULLOUGH. West of the Alleghenies on the short ton. That is, we pay our wages on the short ton, and everything of that kind; but in the East it is all on the long ton.

Mr. UNDERWOOD. Your mines are located west of the Alleghenies?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. What do you pay your miners per ton for mining coal?

Mr. McCULLOUGH. Seventy-five cents a ton of 2,000 pounds.

Mr. UNDERWOOD. Is that the run of the mine?

Mr. McCULLOUGH. No; that is three-quarter inch coal.

Mr. UNDERWOOD. Three-quarter inch coal?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. That makes it suitable for every sort of domestic purposes?

Mr. MCCULLOUGH. Yes.

Mr. UNDERWOOD. What are the other charges of cost that you charge against that ton of coal besides labor to bring it to the tipple?

Mr. MCCULLOUGH. Of course, in all coal mines the amount of money paid to the digger has a very limited relation to the cost of the coal.

Mr. UNDERWOOD. That is what I wanted to bring out.

Mr. MCCULLOUGH. You have got to pay your wages and pay for the material used in the mines and the posts, which are getting to be a very burning question at the present time, and the cost of which runs close to 5 cents a ton on the cost of production now. Then you have to supply air to the men and run your pumps, and a thousand and one things; in addition to which, of course, no well-managed concern undertakes to mine their coal and not make some allowance for exhaustion.

Mr. UNDERWOOD. For what?

Mr. MCCULLOUGH. For the exhaustion of the coal. Of course, if you made no allowance for that, when you got through you would have nothing but a hole in the ground to represent your capital.

Mr. UNDERWOOD. You have got to charge a royalty?

Mr. MCCULLOUGH. Yes; precisely.

Mr. UNDERWOOD. What do you estimate the cost at your mine—the cost outside of the labor cost of 75 cents to the miner to bring that coal to the tipple; I mean to the tipple where you put it into the car for shipment?

Mr. MCCULLOUGH. I could answer that question better if I had the cost sheet here, which I have not; but allowing 75 cents for 2,000 pounds, and royalty, at the mines it costs us $1.29 a gross ton.

Mr. UNDERWOOD. That is f. o. b. cars for shipment?

Mr. MCCULLOUGH. That is on the car after paying all expenses at the mine, and not charging anything for what you might call general office expenses. That is to come off what you can make above the mining cost.

Mr. UNDERWOOD. What would you say was a general average estimate of the office expenses?

Mr. MCCULLOUGH. Office expenses and rentals and things of that sort would run a cent and a half a ton.

Mr. UNDERWOOD. That would make it a dollar thirty to a dollar thirty-one and a half cents?

Mr. MCCULLOUGH. One dollar and thirty-one cents.

Mr. UNDERWOOD. The balance of the cost of the figures you gave to lay it down in New England were freight charges?

Mr. MCCULLOUGH. One dollar and fifty cents to the railroad, and an estimate of 75 cents for boat freights.

Mr. UNDERWOOD. Now, do you know anything about the Nova Scotia mines or the Canadian mines?

Mr. MCCULLOUGH. I know all about the Nova Scotia mines, because I have been there.

Mr. UNDERWOOD. What is the amount paid the miner in Nova Scotia?

Mr. MCCULLOUGH. When I was there, which was about seven years ago, they were paying exactly the same rates of wages that were being

paid in the Pittsburg district at that time, and I have been told by, I think, reasonably good authority, that in a way they follow the Pittsburg rates. They are arranged every two years by the convention of the United Mine Workers and the operators.

Mr. UNDERWOOD. The United Mine Workers are organized in Nova Scotia as well as in Pennsylvania?

Mr. MCCULLOUGH. They have an organization there; yes, sir; and, as I say, in a general way their wages are the wages of western Pennsylvania.

Mr. UNDERWOOD. Your mines in Pennsylvania are mostly shaft mines, are they not? You do not drift?

Mr. MCCULLOUGH. We have a variety of mines. We have several shafts. We have several stopes, as they are called, where you go down onto the vein of coal, and one or two mines where you go directly into the hill.

Mr. UNDERWOOD. Which do you consider the most expensive mine?

Mr. MCCULLOUGH. The shaft mine.

Mr. UNDERWOOD. And a great many of your mines are shaft mines?

Mr. MCCULLOUGH. Yes.

Mr. UNDERWOOD. The estimate of cost you gave here was on the shaft mine?

Mr. MCCULLOUGH. No; the general cost.

Mr. UNDERWOOD. The general cost?

Mr. MCCULLOUGH. Yes.

Mr. UNDERWOOD. What class of mining is it in Nova Scotia?

Mr. MCCULLOUGH. They are stopes.

Mr. UNDERWOOD. All stopes?

Mr. MCCULLOUGH. Nearly all.

Mr. UNDERWOOD. That would make it a little less expensive?

Mr. MCCULLOUGH. Yes.

Mr. UNDERWOOD. Are they surface drained?

Mr. MCCULLOUGH. No, sir; I do not think there are any mines now above water level.

Mr. UNDERWOOD. As to pumping out the mines, are they any more favorably situated than the Pennsylvania mines?

Mr. MCCULLOUGH. I do not know how they are this year. We have been absolutely drowned out. I have heard of cases where they are paying as high as $1.50 a thousand gallons of water to run the pumps. How Nova Scotia is fixed I do not know this year.

Mr. UNDERWOOD. That is an abnormal situation?

Mr. MCCULLOUGH. Yes.

Mr. UNDERWOOD. But, generally speaking, how is it?

Mr. MCCULLOUGH. The conditions are no better than ours are.

Mr. UNDERWOOD. What is the additional cost of mining there along the same line you gave me at your mines?

Mr. MCCULLOUGH. You know the Nova Scotia coal deposits are owned by the Dominion government, and I believe the royalty they pay is about 50 cents a ton. It would be that additional cost per contract. Instead of paying $1.50 a ton freight, they pay 75 cents.

Mr. UNDERWOOD. I wanted to eliminate the freight rate and get to that afterwards.

Mr. MCCULLOUGH. Yes.

Mr. UNDERWOOD. I wanted the cost at the mine. I wanted your judgment as to what the other cost at the mines was; outside of the

75 cents for labor for mining, what do you estimate the other costs at the Nova Scotia mines?

Mr. McCULLOUGH. The only other cost, provided I am correct about the rate of wages, would be caused by the fact that they pay more royalty than we credit.

Mr. UNDERWOOD. Then their cost at the mine would be about $1.40, as compared to $1.30 in Pennsylvania?

Mr. McCULLOUGH. I should think so.

Mr. UNDERWOOD. So that at the mine the Pennsylvania coal operator has the advantage, at the mouth of the mine?

Mr. McCULLOUGH. A small advantage; yes, sir.

Mr. UNDERWOOD. Now, you say the difference in the freight rate is that it costs you about $2.25 a ton to reach the New England market, and it costs them 25 cents a ton?

Mr. McCULLOUGH. No; it costs them 25 cents plus 75 cents. It costs them a dollar, coupling the rail and boat freights together.

Mr. UNDERWOOD. Seventy-five cents is the rail freight for that?

Mr. McCULLOUGH. That is the boat freight.

Mr. UNDERWOOD. The boat freight?

Mr. McCULLOUGH. The average rail freight when I was up there was 25 cents a ton to the seaboard.

Mr. UNDERWOOD. Yes; and 75 cents for the boat freight?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. Making altogether a dollar a ton?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. Then as to the freight, they have an advantage of $1.25 a ton freight?

Mr. McCULLOUGH. That is right.

Mr. UNDERWOOD. That condition exists purely for the New England market, does it not? I mean that their relative advantage only relates to the points where they can get in with this cheap water rate.

Mr. McCULLOUGH. Yes; I do not think they could penetrate inland to any great extent.

Mr. UNDERWOOD. And the tariff is not a tariff to protect labor, or the cost of production, but it is practically a differential to protect railroad and water freights?

Mr. McCULLOUGH. I would say it was something to protect labor very largely. Of course we can not be driven out of any market without a struggle.

Mr. UNDERWOOD. Yes, I understand; but the real difference is not the cost of labor or the cost of production, but the real difference is the difference of freight rates?

Mr. McCULLOUGH. Yes.

Mr. UNDERWOOD. And you think if we put a duty on here with something like a high enough duty to make Canada agree to a maximum and minimum of free trade, and by that means could secure absolute free trade between this country and Canada, taking the United States as a whole, it would be beneficial?

Mr. McCULLOUGH. That is my opinion.

Mr. UNDERWOOD. That is all.

The CHAIRMAN. Supposing that the committee should adopt the suggestion of the miners of western Pennsylvania and put coal on the

free list, what in your opinion ought to be done with coke, which now bears a duty of 20 per cent ad valorem?

Mr. McCULLOUGH. Well, I do not know. I am not in the coke business, Mr. Chairman, so that I can not answer the question. I do not know the conditions governing the coke market at all. Of course I know they do manufacture coke in Nova Scotia.

Mr. DALZELL. We do not export coke to Nova Scotia, do we?

Mr. McCULLOUGH. No; they make their own coke.

The CHAIRMAN. We import hardly any coke.

Mr. McCULLOUGH. Yes; very little.

The CHAIRMAN. Very small quantities.

Mr. McCULLOUGH. Yes.

The CHAIRMAN. I was not speaking of the reciprocal part of it so much as I was the duty on coke.

Mr. McCULLOUGH. I can not answer that. I have no personal knowledge about it.

The CHAIRMAN. As I understand, you made the cost of the Nova Scotia coal at Boston about $2.40 a ton.

Mr. McCULLOUGH. Two dollars and forty cents to $2.50, duty off?

The CHAIRMAN. I notice the Government reports put it all over $3. The custom-house reports put it all over $3.

Mr. McCULLOUGH. Is not that including the duty?

The CHAIRMAN. No; before the duty is paid.

Mr. McCULLOUGH. The present quotation for the best grades of coal in Boston is $3.50. That would bring down the value of the coal, alongside dock, duty unpaid, to $2.83.

The CHAIRMAN. For every year since 1898 the price has been over $3, running from $3 up to $3.37. During the Wilson bill it ran down lower than that, as low as $2.43, but since that time, for the last twelve years, the importing price has been over $3, according to the government reports, ready for the payment of the duty.

Mr. BOUTELL. How long have we been importing coal from Australia to the Pacific coast?

Mr. McCULLOUGH. That question I can not answer, although it was being done, I know, in 1893, because, as I say, that gentleman came from San Francisco to describe the difficulties of contending with Australian coal.

Mr. BOUTELL. Then I suppose you do not know anything about the Australian freight rates or the cost of labor?

Mr. McCULLOUGH. I do not.

Mr. BOUTELL. Do I understand you to favor the retention of the present duty, or a reciprocal free-coal arrangement with Canada? Which of the two propositions do you favor?

Mr. McCULLOUGH. Personally I am what they call a "standpatter." I would not care to see the duty disturbed in any way; but if it is, I am emphatically of the opinion that it should not be done unless Canada meets us halfway.

Mr. BOUTELL. Of the two propositions you would prefer the retention of the present rate of duty?

Mr. McCULLOUGH. With my present lights; yes, sir.

Mr. BOUTELL. In answer to a question propounded to you by Mr. Underwood, I understood you to say that it would be for the best interests of the country as a whole that we should have a free-coal reciprocal arrangement with Canada?

Mr. McCULLOUGH. I could not answer for the coal operators of Washington State.

Mr. BOUTELL. Or of the Central West or the Rocky Mountain districts?

Mr. McCULLOUGH. I do not think it would hurt them at all.

Mr. BOUTELL. You do not think it would hurt them?

Mr. McCULLOUGH. No, sir.

Mr. BOUTELL. Or those in the Wyoming or Colorado coal fields?

Mr. McCULLOUGH. They would not be affected one way or another. It is too far away. There are very good coal mines in British Columbia, at Crows Nest Pass, but I think it is pretty nearly all used on their own railroads, and for their own purposes.

Mr. BOUTELL. But you think it would be injurious to the coal operators of Washington?

Mr. McCULLOUGH. I think so; yes, sir.

Mr. NEEDHAM. Where do the coals from the fields of the State of Washington go?

Mr. McCULLOUGH. A good deal of it goes to San Francisco and a good deal of it is taken for local consumption. There is much Australian coal used there.

Mr. NEEDHAM. It is all consumed in that section?

Mr. McCULLOUGH. I think so. They do not export much of it, because the Vancouver Island coal can be mined cheaper and it is better coal.

Mr. NEEDHAM. How does the quality of the Washington coal compare with the Australian coal?

Mr. McCULLOUGH. The Australian coal is the best in the world for making gas. It has less ash. It has driven us out of South Africa altogether.

Mr. HILL. As a matter of fact they do not compete?

Mr. McCULLOUGH. Scarcely any.

Mr. HILL. Does not the Australian coal sell in San Francisco for more than double the price of the Washington coal?

Mr. McCULLOUGH. I do not know what the prices are there.

Mr. HILL. What did you say was the price of the Nova Scotian coal delivered in Boston?

Mr. McCULLOUGH. Three dollars and fifty cents alongside.

Mr. HILL. I find that in 1903, when we began to import, the prices were $3.30 for Nova Scotian coal, and that the export rose from 5,000,000 tons to nearly 9,000,000 tons in 1904. The prices had gone down from $2.78 to $2.50, delivered in Boston. During the coal famine we exported more than we imported.

Mr. McCULLOUGH. It was high-grade steam coal.

Mr. HILL. Are not the Nova Scotian mines owned largely in Boston?

Mr. McCULLOUGH. There is considerable Boston capital in the Dominion Coal Company, but I think the majority of it is owned in the Dominion.

Mr. DALZELL. Where is the market for Wyoming coal?

Mr. McCULLOUGH. It is largely local. Some of it goes across the border.

Mr. DALZELL. Into Canada?

Mr. McCULLOUGH. Yes; into some of the southern Provinces of the Dominion. I do not remember the names.

Mr. DALZELL. It does not go out as far as the Pacific coast?

Mr. MCCULLOUGH. No, sir.

Mr. FORDNEY. In your opinion, would the price to the New England consumer be reduced by this reciprocal trade arrangement that you suggest between the United States and Canada?

Mr. MCCULLOUGH. It would be slightly reduced.

Mr. FORDNEY. It could not be reduced until the Nova Scotians had driven you out of the New England market, could it?

Mr. MCCULLOUGH. It would be automatic, so to speak. They would reach in and reduce prices by 67 cents per ton, which would drive us out in spite of ourselves.

Mr. FORDNEY. With a profit to you of only 15 cents per ton, you could not be driven out of that market until they got a supply, because they could not furnish the coal until they increased their supply.

Mr. MCCULLOUGH. Trade cuts channels, and it takes some time to divert trade. It would take two or three years before that would happen. They would have to increase their capacity considerably.

Mr. FORDNEY. Finally, when we removed the duty from the coal, the New Englander would buy that much cheaper, and thus give up the New England market for the market in Canada.

Mr. MCCULLOUGH. No; I would not say that. We would not give up without considerable of a struggle. In Pennsylvania and West Virginia there are 200,000,000 tons of coal produced per annum, and we are paying enormously high wages. Wages would be the first thing to suffer, because we would have to insist on lower prices. We would say to the laboring people that they would have to work for less money.

Mr. FORDNEY. Labor would be the first to receive the reduction?

Mr. MCCULLOUGH. You must not figure that capital must have nothing, because capital is getting very little now. It is down to almost nothing.

Mr. FORDNEY. If you retained the New England market, with the duty on coal as it is to-day, you could pay labor the same price that you are paying now?

Mr. MCCULLOUGH. Yes. There is no intimation of reducing wages. We are satisfied with a small profit, and the miner is satisfied with his big pay. We have not had a hitch in our region for more than a year.

Mr. UNDERWOOD. What percentage of the products of your mine is going to New England, and what percentage is retained?

Mr. MCCULLOUGH. I could not answer that without access to the figures. I would not like to hazard a guess. It is a small end of the business.

Mr. UNDERWOOD. You mean that portion going to the New England market?

Mr. MCCULLOUGH. Yes, sir.

Mr. UNDERWOOD. You have a market in Pennsylvania; and Pennsylvania would not be affected by the Canadian coal?

Mr. MCCULLOUGH. They would be along the seaboard.

Mr. UNDERWOOD. But in the interior they would not be?

Mr. MCCULLOUGH. No.

Mr. UNDERWOOD. Therefore if this were put on it would only affect a small portion of your business by the change?

Mr. McCULLOUGH. In the coal business it does not take much percentage to effect a change. The only way to make money is to distribute the fixed charges if you increase the cost of the material.

Mr. UNDERWOOD. The percentage of the new market with which you would have to compete would bring up your present standard?

Mr. McCULLOUGH. That is correct.

The CHAIRMAN. What would happen if we would put coal on the free list? You would not undertake to withdraw?

Mr. McCULLOUGH. We would be driven out.

The CHAIRMAN. You do not expect to be driven out?

Mr. McCULLOUGH. I think we would be driven out in the course of time.

The CHAIRMAN. You would not be if the government statistics are right in reference to the price of coal.

Mr. McCULLOUGH. I would rather take my own experience than to take any government report.

Mr. GAINES. You were asked in reference to the importation of Nova Scotia coal during the time we had coal on the free list, and you answered that it took time for trade to readjust itself. Don't you think it would be much more accurate to say that in the space of a year new mines could not be developed? Instead of trade following the tariff the fact was that Nova Scotia presumably was selling her output, as she had no surplus and could not get one in one year's time.

Mr. McCULLOUGH. I do not think that that is quite it. I think that her productive capacity was great, and it is still far ahead of her market. The big business was in the season of 1903. It only takes a short time to develop it from a slope, but it will take a year or two years with the shift. You can not bring it up to its full productive capacity on account of the narrow work. The entrance prevents its being done, even if you had three years. The progress is slow and you can not produce the coal until you get the narrow work completed.

Mr. GAINES. I understand that; and that is the reason I asked the question. Then you assign as a reason for not having greater importations in 1903 and 1904 the fact that it takes a longer time than the time when coal was on the free list to develop the mines?

Mr. McCULLOUGH. The market was there and they sold more than if there had been competition.

Mr. FORDNEY. In reference to these high prices prevailing in 1903, were they early in the spring or late in the winter of 1903.

Mr. McCULLOUGH. Things began to be normal about the middle of 1903—I mean relatively normal. The anthracite people put up prices about $1 per ton. The bituminous industry can not do that. In the bituminous mines it is every man for himself. That regulates the prices in the bituminous mine.

Mr. FORDNEY. Matters became normal about March or April?

Mr. McCULLOUGH. I think it was about the middle of the summer.

Mr. HILL. I think you said that the labor cost is substantially the same as it is in Pennsylvania, being controlled by the United Mine Workers?

Mr. McCULLOUGH. Yes.

Mr. HILL. Is not the question of labor a greater part of the cost?

Mr. McCULLOUGH. No.

Mr. HILL. Is not coal exported to Canada?

Mr. McCULLOUGH. We do not sell any ourselves.

Mr. HILL. Do you know what the price is?

Mr. McCULLOUGH. I do not.

Mr. HILL. You simply know the import price at Boston?

Mr. McCULLOUGH. Yes, sir.

Mr. HILL. Do you think the amount as stated in the customs report is fair?

Mr. McCULLOUGH. But you must remember that in sending it into Canada they have two duties.

Mr. HILL. I know, but the United States statistics give the value of it when exported to Canada.

Mr. McCULLOUGH. But it does not give the value of the slack coal nor the value of the nut.

Mr. HILL. Bituminous coal is the item given at the point of export; and the average cost for the last year was 8,000,000 tons at $2.56.

Mr. DALZELL. In that do they count the shale and slack?

Mr. McCULLOUGH. They count everything.

Mr. HILL. It gives here the collections on bituminous coal. Probably the export would be very little.

Mr. McCULLOUGH. It is not large; it is 14 cents a ton, and the duty is 53½ cents.

Mr. GAINES. There is a duty on the culm and slack?

Mr. McCULLOUGH. All that goes into Canada is the same. They count all that will go through a three-fourths screen.

Mr. HILL. The amount collected was $22,000, at $2.56, as against an import price from Canada of $3.14. As a matter of fact, is there any coal mined in Canada between Nova Scotia and the Rocky Mountains?

Mr. McCULLOUGH. Some coal is mined in the provinces of New Brunswick at Pictou. Outside of that there is none, so far as I know, mined between Nova Scotia and the Crows Pass.

Mr. HILL. You supply cheaper to the East than you do to the West?

Mr. McCULLOUGH. Yes, sir.

Mr. HILL. The East is your market by location. The eastern part of the country is within the zone of Nova Scotia by reason of location. It is protective by reason of the differential and the freight rates. If you are entitled to the whole Central West, why are not the people of New England entitled to the advantage of Nova Scotian prices by reason of their location?

Mr. McCULLOUGH. That is a hard question to answer.

Mr. HILL. It is.

Mr. McCULLOUGH. The object is to protect an American industry. We are 400 miles from the seaboard, and we feel that we are entitled to that protection, because we can not move our mines up. If we were at the seaboard, we could command the world.

Mr. GAINES. It makes a difference whether you are buying the raw material or the finished product.

Mr. McCULLOUGH. In New England they are strong on free raw material, but high protectionists on the finished goods.

Mr. COCKRAN. As I understand you, the cost in laying the product down in New England is $3.60 and in Canada it is $3.50.

Mr. MCCULLOUGH. Three dollars and seventy-five cents.

Mr. COCKRAN. I thought that was the selling price.

Mr. MCCULLOUGH. Yes.

Mr. COCKRAN. As I understand you, your product is superior to the Canadian product.

Mr. MCCULLOUGH. It is for making gas; it is worth 70 cents more.

Mr. COCKRAN. Then, if it is superior to the Canadian product, what is your purpose in asking this advantage for the New England market?

Mr. MCCULLOUGH. If they charge $3.50 and we charge $3.75 and there is an economical difference of 70 cents, that leaves 25 cents above our price, or rather to their advantage.

Mr. COCKRAN. What do you call the economical value?

Mr. MCCULLOUGH. If you take off 67 cents, that would leave us on the wrong side of the account.

Mr. COCKRAN. You can put your article in Canada at $3.60?

Mr. MCCULLOUGH. Yes, sir.

Mr. COCKRAN. The Canadian article comes in at $3.50, duty paid. There you are at a disadvantage of 10 cents.

Mr. MCCULLOUGH. If you spell it "c-o-a-l," we are at a disadvantage of 10 cents, but when you come to the question of quality——

Mr. COCKRAN. You say that you have a superiority in quality to the extent of 70 cents?

Mr. MCCULLOUGH. Yes, sir.

Mr. COCKRAN. Therefore your advantage is 60 cents a ton?

Mr. MCCULLOUGH. Yes, sir.

Mr. COCKRAN. What more do you want? Is not 60 cents enough?

Mr. MCCULLOUGH. You eliminate the idea that I am arguing against a reduction of 60 cents per ton in their prices. What you ought to figure would be 70 cents and not 60 cents.

Mr. COCKRAN. I must say that I can not see that. As the matter stands now you go into their market at a cost of $3.60 and they come into competition with you at $3.50, making a cost, duty paid, of $3.50.

Mr. MCCULLOUGH. But when a man pays $3.50 he gets something that is worth 70 cents more than the Canadian coal.

Mr. COCKRAN. That is what I say. You are practically on the same terms with the duty off.

Mr. MCCULLOUGH. No; at $3.38 we would be.

Mr. COCKRAN. You take 70 cents off and your price is $2.90. What is your idea about that 70 cents?

Mr. MCCULLOUGH. That is economical value.

Mr. COCKRAN. I do not know what you mean unless you mean that for commercial purposes the intrinsic value of your coal is 70 cents more than theirs.

Mr. MCCULLOUGH. Yes, sir.

Mr. COCKRAN. Then, if you add 70 cents to theirs or take 70 cents off yours, you are on equal terms with them.

Mr. MCCULLOUGH. No; not if you take 67 cents off their prices. The cost is $3.50, duty paid. Duty off, it would be $2.83.

Mr. COCKRAN. That would make a difference of 7 cents.

Mr. McCULLOUGH. That is right, taking into consideration the economical value.

Mr. COCKRAN. What else have you to take?

Mr. McCULLOUGH. Nothing.

Mr. COCKRAN. That is the only thing worth considering?

Mr. McCULLOUGH. Yes, sir.

Mr. COCKRAN. According to your own figures it is only 7 cents a ton difference.

Mr. McCULLOUGH. That is assuming that we are working without a profit.

Mr. COCKRAN. Since there is no difference in the labor cost between the two products, then the basis on which you want protection is to equalize the differential and the rates of transportation.

Mr. McCULLOUGH. It is to equalize the difference in railroad freight.

Mr. COCKRAN. Yes. Then you are not trying to equalize the difference in the cost of production, so far as the labor cost is concerned, but you are trying to equalize the difference in the cost of transportation?

Mr. McCULLOUGH. Precisely.

Mr. COCKRAN. Until this hearing that theory has never been advanced as a reason for levying taxation.

Mr. McCULLOUGH. It has always been my idea that the general idea or object of protection is to protect.

Mr. COCKRAN. So far as the labor cost is concerned.

Mr. McCULLOUGH. I do not think that that is what a tariff means.

Mr. COCKRAN. Your idea is that a tariff is to protect you so that you can get profits.

Mr. McCULLOUGH. To get profits and to enable us to pay the wages of the men.

Mr. COCKRAN. There is no difference in the wages.

Mr. McCULLOUGH. If the rates would be cut down, the wages would have to be cut down.

Mr. COCKRAN. That is another case of apprehension. You can not ask for a tariff on that ground except for the puropse of quieting your apprehensions. Take the actual facts. Are not the rates of wages substantially even now? If that be true, it is not for the purpose of protecting the wages that you are asking a tariff, but for the purpose of protecting your profit.

Mr. McCULLOUGH. Protecting everything. It is protecting the business.

Mr. COCKRAN. Protecting the profits of the business.

Mr. McCULLOUGH. I think capital is entitled to some profit.

Mr. COCKRAN. But you are claiming that your purpose is not merely to equalize the difference in the rate of wages, but also to insure a profit to capital.

Mr. McCULLOUGH. Well, it is so that everybody will reap a proper benefit, the railroads and everybody else.

Mr. COCKRAN. Then you ask a tariff for the purpose of general regulation?

Mr. McCULLOUGH. That is my conception of the purposes for which a tariff is put on.

Mr. COCKRAN. You think its scope is beneficent?

Mr. McCULLOUGH. Yes, sir.

Mr. UNDERWOOD. To get at the logic of your statement, if there were no coal fields in the western part of the United States, do you

think that this committee ought to put a duty on coal to enable you to equalize the freight price so as to enable the American coal to go into the Pacific coast market in competition with the Vancouver coal?

Mr. McCULLOUGH. I should not.

Mr. UNDERWOOD. You do not think that we should put on that tax in order to enable you to ship American coal to the West so as to come in competition with the Vancouver coal?

Mr. McCULLOUGH. This would not be putting a tax on American coal, because this coal goes into the bunkers of steamers 95 per cent of which are foreign bottoms.

Mr. UNDERWOOD. Assuming that there was no coal on the Pacific slope, would you think it fair to put on a duty to enable the American producer to reach that market and pay his freight?

Mr. McCULLOUGH. I should think not.

Mr. UNDERWOOD. Is not that the effect of your argument? Coal is an article that is sold in zones. You have a zone within which you sell, and when you pass beyond that zone you come in competition with somebody else.

Mr. McCULLOUGH. Yes, sir.

Mr. UNDERWOOD. When you get beyond your own zone and in one where there is no coal fields, but where they have an advantage over you of a lower freight rate, do you think that it would be equitable to the people of that zone to exclude them from a market where they can get their reasonable and proper prices on coal?

Mr. McCULLOUGH. If they live in the United States, yes; they should in that case rest with the other citizens of the United States. But these people are not citizens of the United States; whereas, we have to pay the bills.

Mr. UNDERWOOD. Coal is an indispensable article, and it is a great radiator of heat. It is the basis of all manufacturing, and to enforce an extreme high price on coal by an artificial law on a people that otherwise would get it at a reasonable price, would that, in your opinion, be a proper action for the Government?

Mr. McCULLOUGH. Well, I think that is logical. We are American citizens, and the other people are not. They are, under the laws of the Lord, in a position to produce coal cheaper, whereas we are not.

Mr. UNDERWOOD. They are under the laws of the Lord, and you are under the laws of man.

Mr. COCKRAN. You think that we ought to correct the laws of the Lord by a judicious application of the laws of man?

Mr. McCULLOUGH. In this case, I should think so.

Mr. COCKRAN. I think the tariff question is gradually expanding.

Mr. RANDELL. Did I understand you to say that the rate of wages now paid by your company in Nova Scotia is the same as is paid in this country?

Mr. McCULLOUGH. I think so.

Mr. POU. Did I understand you further to say that if the tariff on the foreign coal was removed you would be compelled to reduce the wages of your men?

Mr. McCULLOUGH. That is my judgment.

Mr. POU. By reason of the tariff you are only able to compete at your border in Nova Scotia?

Mr. McCULLOUGH. That is true.

Mr. POU. You ask help enough to pay the American labor as against the foreign labor?

Mr. McCULLOUGH. That is it.

Mr. GAINES. What is your run-of-mine price?

Mr. McCULLOUGH. I could not answer that question, because prices vary to some extent. I really do not know how to answer it. I would suppose that the price of the run-of-mine, under conditions similar to that of Boston, would be about $1.25 a ton, as against $1.40 for the screened article.

Mr. RANDELL. There is a good deal of the United States that is outside of your immediate territory between Pennsylvania and New England. You say that you can deliver coal now at a profit of 15 cents a ton in Boston. Is it not a fact that the largest percentage of profit is made by the railroads that haul the coal?

Mr. McCULLOUGH. I think that $1.50 a ton from our mines to Philadelphia is not a high charge.

Mr. RANDELL. Why do you not try to get a reduction from the railroads on their charges?

Mr. McCULLOUGH. We have tried that, but they put up the price 5 cents a year ago instead of reducing it.

Mr. RANDELL. The railroads put up the price of freight so as to get a profit?

Mr. McCULLOUGH. I think so.

Mr. RANDELL. And you want us to put up the tariff in order to give you a profit over and above that. Is not that the fact?

Mr. McCULLOUGH. I think we are entitled to a profit.

Mr. RANDELL. Then what assurance have you that the railroad would not come along immediately and put up their rate again?

Mr. McCULLOUGH. Then we would have to raise the price.

Mr. RANDELL. Then, according to that showing, what chance would the man have who wishes to warm himself by a fire?

Mr. McCULLOUGH. He has the benefit of competition with bituminous coal in the whole of the United States.

Mr. RANDELL. The general consumer of the United States is far away from the mines?

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. Can you give us the amount of the consumption of bituminous coal in New England?

Mr. McCULLOUGH. I can not answer that question.

Mr. RANDELL. It is a tremendous quantity, is it not? It enters into the manufacture of all articles in New England, and those articles are sold all over the United States and in all of the markets of the world.

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. So that that would raise the prices of the products that are made in New England and the consumer would have it to pay.

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. If you had an advance of 67 cents a ton duty on coal, you would make a larger profit, but you say it would be only a slight profit. That is a small percentage of your business.

Mr. McCULLOUGH. Yes, sir.

Mr. RANDELL. But this 67 cents a ton makes a tariff wall around the United States, and if the coal dealers throughout the United States desire to charge that 67 cents a ton in any section of the

United States they could charge that much more than if the tariff was not there?

Mr. McCULLOUGH. No; because that would destroy our business.

Mr. RANDELL. Do you not sell coal now at 67 cents a ton more by reason of having the tariff?

Mr. McCULLOUGH. No, sir; the tariff would not affect us except in New England and the seaboard.

Mr. RANDELL. Then, do you not sell to the consumer at 67 cents a ton more than they do in West Virginia, because of the tariff?

Mr. McCULLOUGH. No, sir.

Mr. RANDELL. Then, what is the limit?

Mr. McCULLOUGH. Competition is the limit.

Mr. RANDELL. Suppose that the owners of mines should prefer in their own zone to get the benefit of the tariff and add it to the price of the coal, what protection would the consumer have if the owners chose to charge 67 cents more than they otherwise would?

Mr. McCULLOUGH. I do not think they could.

Mr. RANDELL. You think it would have no effect at all?

Mr. McCULLOUGH. The anthracite producers could put up the price, but the bituminous producers could not.

Mr. RANDELL. Could not they do so until they got to the top of the tariff wall?

Mr. McCULLOUGH. If that tariff was off, that would be the limit in New England. They would have to put down the price in order to keep their business.

Mr. RANDELL. Have you an idea of how much coal is consumed in this country?

Mr. McCULLOUGH. Yes; it was 470,000,000 tons of both kinds of coal in the year 1907.

Mr. RANDELL. Then it would amount to the consumer to a difference, with this tariff, of between $200,000,000 and $300,000,000, would it not?

Mr. McCULLOUGH. You must take off 67 cents a ton for the whole of your output.

The CHAIRMAN. That would depend on whether the price was added to every ton of coal sold in the United States.

Mr. McCULLOUGH. Yes, sir.

The CHAIRMAN. Do you believe, as a business man, that 67 cents is added to the price of every ton of coal sold in the United States?

Mr. McCULLOUGH. No; only 15 cents a ton is the profit in the business. There is practically nothing added.

Mr. RANDELL. You mean to say that coal is sold in this country at a profit of 15 cents a ton?

Mr. McCULLOUGH. Yes; bituminous coal.

Mr. RANDELL. Are you acquainted with the coal mines in Oklahoma?

Mr. McCULLOUGH. No; I do not know anything about them.

Mr. RANDELL. At South McAlester coal can be mined and sold at $2; and that same coal sells from $6 to $7.50 a ton across the river in Texas.

Mr. McCULLOUGH. I do not know anything about that country. I suppose that if you take that to the big smelters it would cost $5 per ton more to get it in.

Mr. RANDELL. In a situation like that, has the consumer any protection against the producer of the coal who charges the world's market price for the coal with the addition of freight rates and tariff?

Mr. MCCULLOUGH. The producer has the protection of competition.

Mr. RANDELL. If you take any particular locality in the country, whether the territory be great or small, where certain parties own the coal, has the consumer any chance, unless he gets it from outside sources, with the prices of competition added, and necessarily the tariff, if it comes from outside of the country?

Mr. MCCULLOUGH. No consumer has any protection where a monopoly exists. He has to pay what they ask.

Mr. RANDELL. Is it not a fact that the railroad rates are so adjusted as to nearly take up the profit on the coal in this country when it is shipped any great distance?

Mr. MCCULLOUGH. I am afraid that I would have to say "yes" on that question.

Mr. RANDELL. Is it not a fact that railroads so manipulate the rates that they take the greater part of the profit in the business?

Mr. MCCULLOUGH. I am not in the railroad business.

The CHAIRMAN. He is not obliged to tell you whether your proposition is correct.

Mr. RANDELL. I am asking him if he prefers to give his opinion.

Mr. MCCULLOUGH. I said that I was not in the railroad business.

Mr. RANDELL. I do not insist on his answering if he does not care to. I will put the question in this way: As a matter of fact, is it not true that the freight rates are so adjusted as to take practically all of the profit from the coal mining where the coal is hauled any distance?

Mr. MCCULLOUGH. Considering the length of the haul from our mines to Philadelphia, I do not think that $1.50 a ton is excessive. I do not think it is excessive per ton per mile, but I may say that I think that the railroad freight is the big end of the price question.

Mr. RANDELL. I thought I understood you to say that the profit was in the transportation of it.

Mr. MCCULLOUGH. I said that there was more profit in the transportation than there was in production.

Mr. RANDELL. I understood you to say that in your opinion nearly all of the profit was in transportation. In other words, the railroad makes more than the coal company and gets nearly all the profit.

Mr. MCCULLOUGH. No; we get our profit of 15 cents per ton. What the railroad makes in profit out of the $1.50 I do not know.

Mr. RANDELL. I thought that you gave it as your opinion a moment ago that it was considerable.

Mr. MCCULLOUGH. I would like to say at this point that there are present representatives from the largest bituminous coal mining interests in Pennsylvania and West Virginia; and I know they want an opportunity of expressing their opinion in relation to these matters providing they can get an opportunity.

The CHAIRMAN. We do not want to get opinions, but we want to get the facts.

Mr. MCCULLOUGH. They are prepared to give you the facts.

D. W. KUHN, OF PITTSBURG, PA., WRITES IN ADVOCACY OF RECIPROCAL FREE COAL WITH CANADA.

PITTSBURG, PA., *December 8, 1908.*

Hon. JOHN DALZELL, M. C.,
Washington, D. C.

MY DEAR SIR: On Thursday of this week, I understand, the Ways and Means Committee grants a hearing on the subject of reciprocal free coal with Canada. Several operators, including representatives of the Pittsburg Coal Company and Westmoreland Coal Company will be present, but I will be unable to attend, and for that reason I wish to make a brief statement in support of reciprocal free coal.

Canada is the only large market in close proximity to our coal fields that we have to-day, and the mean distance to Lake Erie ports for lake shipment to Canada is not over 150 miles. The Province of Ontario, the premier province of Canada, is in close proximity to our Lake Erie ports, and shipments are made from Cleveland, Ashtabula, and Erie on lake shipments and from Buffalo and some other points on rail shipments into Canada. From Winnipeg to Montreal is a territory which can be more advantageously supplied with coal from this region than from any other fields; Montreal being the extreme eastern port of shipment for our coal is yet in point of distance nearer than from the coal fields of Nova Scotia to Montreal. The distance from Nova Scotia coal fields to Montreal is about 1,100 miles. Almost 7,000,000 tons of coal were exported from the United States into Canada last year, the greater part of it being from western Pennsylvania and eastern Ohio, and about 1,200,000 tons of coal were imported from Canada into the United States, the greater part going from Nova Scotia to New England. The demand for coal in Canada comes largely from territory which would be naturally supplied by western Pennsylvania and eastern Ohio, and the upbuilding and general development of that part of Canada will depend somewhat on its facilities for securing our coal. The general development of that territory, however, will necessarily develop a large volume of trade between that part of Canada and Pennsylvania and Ohio in lines of commerce other than the coal trade.

The development and maintenance of a large coal trade with that part of Canada—to which free coal into Canada would give an impetus—is bound to result to the advantage of western Pennsylvania and eastern Ohio, nor can it hurt other coal fields, for it will have more the effect of giving each coal field the full advantage of its respective natural and logical market.

Very truly, yours,

D. W. KUHN,
Pittsburg-Westmoreland Coal Co.

THE FAIRMONT (W. VA.) COAL COMPANY OPPOSES FREE COAL UNLESS COUPLED WITH CANADIAN RECIPROCITY.

FAIRMONT, W. VA., *December 16, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Last week the undersigned went to Washington to attend the session of your committee while considering the coal

industry, and learned that you were willing to have suggestions made in writing.

Our investigation shows that the bituminous coal imported into the United States during the year 1906 aggregated 1,819,768 tons from the following ports: Pacific, 753,936; northern and lake, 262,671; Atlantic, 803,158.

During the same year the United States exported to British North America 5,357,004 tons.

In 1907 the United States exported to British North America 7,194,546 tons of bituminous coal, while the imported coal decreased to 1,689,869 tons. In other words, in 1907 we sold to Canada nearly five times as much bituminous coal as we bought from her.

The territory which lies about 200 miles east from Winnipeg and about 100 miles west of Montreal is practically an American market for bituminous coal.

The Canadian Pacific and Grand Trunk railroads pay yearly in the vicinity of $1,000,000 duty on American coal.

Canada receives more than five times as much duty from its purchasers of American bituminous as that received by the United States from its purchasers of Canadian coal. We respectfully submit that this should not be—we should either have reciprocal free coal or the same duty on bituminous coal in both countries. Free coal without reciprocity will greatly injure the coal industry; certainly such a proposition will not, I think, be seriously considered.

Very respectfully,

A. B. FLEMING,
Representing Fairmont Coal Company.

STATEMENT OF HON. F. W. MONDELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WYOMING, WHO WISHES DUTIES RETAINED ON BITUMINOUS COAL.

SATURDAY, *December 19, 1908.*

(The witness was duly sworn by the chairman.)

The CHAIRMAN. I see that there are three gentlemen besides yourself, Mr. Mondell, on the list from Wyoming, and one from Chicago, in reference to the coal subject. Does each gentleman here wish to be heard?

Mr. MONDELL. The two gentlemen here who are operators in Wyoming would like to be heard briefly in regard to the coal tariff, and it was my desire to very briefly present the coal situation in the Rocky Mountain country to the committee before these gentlemen were heard, if I may have that opportunity. I will endeavor to be very brief, gentlemen of the committee.

I appear before the committee in favor of the coal industry of the northern Rocky Mountain region.

I do not desire to have the committee understand by reason of the fact that I am only presenting this coal question to the committee that it is the only tariff question in which the people whom I represent are interested, because it is not, by any means. We have the same interest in the general schedules that all American citizens have, and, in addition to that, we have some special interests.

The State I represent has about one-eighth of all the sheep in the United States. Therefore we are very much interested in the wool tariffs. We are also very much interested in the hides schedule and various other schedules.

Your committee would have heard from the operators of our region sooner had it not been for the fact that the impression has been general throughout our territory that there was but little danger of a reduction in the duty on bituminous coal. Even now, when the necessity of presenting to the committee the facts with regard to our coal situation is apparent, a number of operators from the Northwest who would be glad to present the matter to the committee are unable to be here. There are present in the city, however, a number of our operators, whom I hope your committee will be able to give an opportunity to be briefly heard.

My purpose in appearing before your committee is to give you a brief outline of the coal situation in the northern Rocky Mountain region, more particularly in Wyoming. What I have to say will be in the form of a general statement of conditions, the details in regard to which the gentlemen who will succeed me, and who are operators in the field, can give you.

We appear here for the purpose of calling to your attention the fact that any reduction of the duty on coal will work a very great hardship to the growing coal industry of Wyoming, Montana, and Utah, without bringing any corresponding benefit to the consumer.

The coal fields of the upper or northern Rocky Mountain region cover a very extensive area. In Wyoming approximately 30,000 square miles, or over 6,000,000 acres, are underlaid with coal. The coal area of Montana is still larger, while Utah has a considerable area of coal and there are extensive areas of lignite in North Dakota.

Practically all the coals of the northern Rocky Mountain region are either lignite or subbituminous, and they run all the way from low-grade and inferior lignites in the Dakotas to a high-grade lignite, or subbituminous, in some parts of Montana, Wyoming, and Utah. There are, it is true, some very limited fields of bituminous coals in these States, but such deposits are so small that they do not cut much figure in the general coal industry.

I will hand to the stenographer a number of typical analyses of Wyoming fields which I obtained from the Geological Survey.

ANALYSES OF COAL.

Coal from Monarch, 9 miles northwest of Sheridan, in Sheridan County.

	Per cent.
Moisture	22.63
Volatile hydrocarbons	35.68
Fixed carbon	37.19
Ash	4.50
Sulphur	.59

Coal from Rock Springs, Sweetwater County.

	Per cent.
Moisture	10.23
Volatile hydrocarbons	34.11
Fixed carbon	51.10
Ash	4.56
Sulphur	1.15

Coal from Frontier, Uinta County.

	Per cent.
Moisture	3.86
Volatile hydrocarbons	39.49
Fixed carbon	51.00
Ash	3.65
Sulphur	1.07

Coal from Cumberland, Uinta County.

	Per cent.
Moisture	6.78
Volatile hydrocarbons	39.79
Fixed carbon	47.43
Ash	6.00
Sulphur	.43

From these analyses it will be seen that these coals are high in moisture, high in volatile gases, low in fixed carbon, and generally low in ash.

Coming in direct competition with these American coals are the coals from British Columbia and Alberta. The Crows Nest Pass coals of British Columbia are coking coals, of which the following is a typical analysis:

	Per cent.
Moisture	0.91
Volatile hydrocarbons	19.1
Fixed carbon	69.93
Ash	9.83
Sulphur	.32

These coals are very high grade and the field contains many workable seams.

Mr. GAINES. What coals are those?

Mr. MONDELL. Those are coals from British Columbia and Alberta. That is the Crows Nest coal of British Columbia, the analysis of which I just read.

Mr. GAINES. That is a good grade of coal, evidently?

Mr. MONDELL. That is a high grade of bituminous coal, that makes coke which they tell me is as good as any made in the world, except that made in West Virginia.

The other Canadian field with which we come in competition is the Lethbridge, in Alberta, which I understand is a noncoking coal, and of which the following is furnished me by the Geological Survey as a typical analysis:

	Per cent.
Moisture	12.08
Volatile hydrocarbons	26.87
Fixed carbon	54.93
Ash	6.12

These Canadian coals lie within 50 to 100 miles of the American border, and coal from these fields comes directly south into American territory over a branch of the Great Northern Railroad which connects with the main line of the Great Northern at Great Falls, Mont., and into Spokane, Wash., and northern Idaho over several lines of road that cross the international boundary. These coals, therefore, reach our American markets in eastern Washington, northern Idaho, and Montana with a shorter haul and a lower freight rate than any American coals, except some inferior coal mined in northern Montana.

That American coal of this region can not successfully compete with the Canadian product without an adequate duty is indicated by the fact of the steady increase of Canadian importations into the territory mentioned, in the face of the present tariff of 67 cents a long ton. Importations of duty paid coal into the collection district of Montana and Idaho having been as follows:

	Tons.
1904	159,488
1905	174,511
1906	258,466
1907	272,532
1908	410,120

It will be noted from these figures that the importation has almost doubled in the past year and has been steadily growing for a number of years. There are three general features of the situation to which I shall refer which clearly indicate the necessity of the maintenance of a coal tariff.

First. The fact of a higher wage scale and a higher cost of production in the United States than Canada. I will hand to the stenographer for insertion in the record a statement prepared for me yesterday by the Bureau of Labor giving the comparative wage scale in Montana and Canada. The scale in Wyoming is approximately that of Montana. A comparison of these schedules shows that, taking into consideration the fact that the outside scale in Canada is based on a ten-hour day while the same scale in the United States is based on an eight-hour day, the American scale is from 25 to 40 per cent above the Canadian scale.

For instance, taking a few examples of outside wages, we find head blacksmiths in Wyoming receive $3.90 for eight hours, in Canada $3.75 for ten hours. The difference in the wages of blacksmith helpers is still greater.

Outside teamsters receive in Montana $3 for an eight-hour day, in Canada $2.62½ for a ten-hour day. This is 26 cents an hour in Canada and 37½ cents an hour in Montana.

A box-car shoveler in Wyoming and Montana receives $3 for an eight-hour day, while in Canada the same class of labor receives $2.62½ for a ten-hour day.

When we come to inside occupations in which day wages are paid, we find that drivers in Wyoming receive $3.40 and in Montana $3.60 for an eight-hour day, while in Canada they receive $2.75 for eight hours' work. Rope riders receive $3.40 for an eight-hour day in Montana and $3.25 in Wyoming, as against $2.75 in Canada. This difference in wages is maintained throughout the entire wage scale. The difference is even greater when we come to examine the price paid for mining. As prices differ in various mines, governed by the local conditions, and the manner of weighing and measuring varies, it is rather difficult to strike an average, but I think it is safe to say that the price paid for mining coal in Wyoming and Montana is at least 25 to 40 per cent above that paid in western Canadian mines. In some instances the difference is even greater where the Canadian is paid by the yard.

Second. When we come to the matter of transportation, we find that the Canadian mines have an advantage over most of the American mines in distance, and consequently in freight rates. For in-

stance, the freight rate from Lethbridge, Province of Alberta, to Spokane, Wash., is $2.40 a ton; from Michael, British Columbia, to Spokane is $2.15, while the rate from either the Sheridan or Rock Springs fields in Wyoming is $4.45 a ton, a difference of over $2 a ton in favor of the Canadian coal, while the tariff on the short ton is but little more than 60 cents.

In the markets of Butte and Anaconda the lignite coals from the vicinity of Sheridan, Wyo., have an advantage of about 75 cents a ton in freight rates over the Crows Nest Pass and Lethbridge high-grade bituminous and subbituminous coals, but the only Wyoming coals that can compete at Butte and Anaconda for smelter and steaming purposes with the Canadian coals are the coals from southwestern Wyoming and Rock Springs, which pay a rate of $4 a ton into both Butte and Anaconda, 25 cents more than the highest Canadian rate.

The rates above given are for lump and run-of-mine coal, rates in all cases being somewhat lower for slack coal.

The Lethbridge coals reach Great Falls, Mont., on a rate of $2.50 a ton, while the Wyoming coals pay a rate so much higher that it is in most cases prohibitive, the rate from the Sheridan region being $2.50 a ton to Helena, with a local from that point to Great Falls, and from Kirby, Wyo., $3 a ton to Helena, with a local to Great Falls.

Rates have recently been put into effect over the new line of the Great Northern into Great Falls whereby the Sheridan coals must pay $4.05 per ton, as against $2.50 for Lethbridge and $3.40 for Crows Nest Pass coals. At these rates Wyoming coals can not get into the Great Falls market.

I present these figures as a fair statement of the rate situation. They show clearly the considerable advantage Canadian coal has over coal mined in Wyoming. It is true that there are some coals mined in Montana that meet the Canadian coals on a more satisfactory freight basis, but the greater portion of the Montana coals which can successfully compete in the market with the better grade of the Canadian coals pay a freight rate but a little lower than that on Wyoming coals.

Third. Another important feature of the situation is the fact that the Canadian coals are in the main, particularly the Crows Nest Pass coals, better for steaming and smelting purposes than much of the Wyoming coal. In fact, there is so wide a difference that much of the Canadian coal would command a price of at least $1 a ton above much of the Wyoming coal in open competition. For domestic use the Wyoming coal is, much of it, quite as satisfactory as the Canadian coal, but even for such purposes it meets with the sharp competition from the Lethbridge and other Canadian coals.

As clearly indicating the necessity for protection in this field as against Canadian coal, I desire to emphasize the fact of the increased Canadian imports to which I have already referred, and I desire to further call your attention to the fact that these importations clearly indicate that the sharpest foreign competition which American coals meet is met by the coals from this district.

Although I am not entirely certain on that point, I am of the opinion that with the exception of the port of Boston the importation in this district was the largest in any collection district in 1908. When we take into consideration the fact that these coals are coming into a sparsely settled region, where the market is not large, you will

readily see how menacing this importation is to American industries. It is not only the present market along the Canadian border that we seek to retain, but the vastly increased market which will be found in that region with the development of its resources and consequent increase in population. We have in Wyoming enough coal to supply the present population of the United States something like one thousand years, but we must find our markets within the limits of a reasonable freight haul. If we are to lose the markets in Montana, Idaho, and Washington, and the market which we ought to obtain in North Dakota, it means that in increasing production we must turn to the southern market and compete with the coal produced in Iowa, Illinois, Ohio, Kansas, and Colorado, and if we lose these northern markets to any extent I fail to see how it would be possible to maintain our present wage scale.

We are not without an object lesson as to the effect of a lower coal tariff, for when the coal rate was reduced from $1 under the McKinley bill to 42 cents a ton under the Wilson bill we lost all our market in Montana and Washington and on the Pacific coast, and, curiously enough, no consumer obtained coal any cheaper under these conditions.

From 15 cents to 25 cents a ton is a fair profit on a large coal output. Coal is often sold so close that it is impossible to reduce the price even 10 or 15 cents and leave any profit. With the reduction to 42 cents a ton under the Wilson bill the Canadian importers did not give the American consumers the benefit of the reduction of the tariff. They simply reduced the price 10 or 15 cents a ton and drove our mines out of the market. Of course this gave the large consumers the benefit of the 10 or 15 cents reduction on each ton, but the ordinary consumer of coal found that there was no difference in the price, and, as a matter of fact, when the duty was again raised under the Dingley bill to 67 cents a long ton, the Canadian operators were getting about the same price in this northern market that our operators had received prior to their losing the market.

Having crowded the American operators out of the market, the Canadian operators gradually raised their price, and as it takes a considerable length of time to readjust business and to secure business once lost, we retrieved none of this lost business until after the passage of the Dingley bill. Of course at that time the Montana and Washington market was a much more limited one than it is now, and our output was much smaller. I shall file with the stenographer, to be printed with my hearing, a statement showing the coal production in the States west of the Mississippi River, which shows that Wyoming produced in 1907, 6,252,990 tons—it being the fourth State in point of production west of the Mississippi—Colorado, Iowa, and Kansas having a larger production.

To sum up the matter, I would respectfully submit that I believe we are justified in our belief that any reduction in the coal tariff would be exceedingly disastrous to the coal industry of the Rocky Mountain region, and I may add of the State of Washington as well.

While I speak particularly for Wyoming, the Montana interests are, it would seem to me, equally in danger, and the coal industry of adjacent States would be injured by the readjustment of markets if we lose the northern markets. As a matter of fact, the situation demands an increase rather than a decrease in the tariff. I would suggest an increase to 75 cents a short ton. I believe that increase would

not more than measure the difference in wages, and so far as a large portion of the field is concerned, it would nowhere near measure the difference in freight rates.

We have a growing industry which should be protected. No American will pay more for his coal by reason of such protection, but the market will be preserved for American producers and the American wage scale can be maintained.

We should not lose sight that it is of only recent years that a market has been found and made for lignite coal. Ten years ago practically none of the railroads would use it, and its domestic consumption was small. By constant, laborious, and expensive experiment, and the expenditure of a large amount of money, we have been able to build up a market for our lignite coal. It ought to be protected against higher-grade coals mined by lower-paid labor in Canada.

The CHAIRMAN. How near to the Canadian border are your mines in Wyoming?

Mr. MONDELL. The State of Montana is about 400 miles in width, and the Wyoming mines, some of them, are within 50 miles of our northern border.

The CHAIRMAN. Do you sell any coal in Canada?

Mr. MONDELL. No; there is no point in Canada west of Lake Superior where a market for a ton of American coal could be found.

The CHAIRMAN. There is no thickly settled country there?

Mr. MONDELL. There are only three lines of railroad crossing the international boundary. One comes down to Great Falls from Lethbridge. It would be impossible to ship any American coal over the line, because we would ship it right into a coal region. There are two lines of road coming down over the international boundary to Spokane. There is no coal mine within 250 miles of Spokane, and then only a little on the other side of the range. Our coals are about 350 miles from Spokane. We have a freight rate of $4 to get it to Spokane. Of course we could not ship from there north into a coal region. In other words, there is no room for reciprocity.

The CHAIRMAN. Does Spokane import any Canadian coal?

Mr. MONDELL. I have been unable to find out just how much of the coal which paid the duty in the collection district of Great Falls was used in Spokane, but, as I have stated, upward of 400,000 tons paid the duty in the Great Falls district.

The CHAIRMAN. We had free coal for a year in 1893.

Mr. MONDELL. At that time there was but one line of road crossing the international boundary, that being the line into Great Falls, of which I have spoken. The railroad management very kindly raised the rate during that year by the amount of the tariff.

The CHAIRMAN. They found it was to their interest to do so, no doubt, or they would not have done so.

Mr. MONDELL. I assume so; yes, sir.

Mr. DALZELL. How near is the nearest Canadian coal field to your Wyoming fields?

Mr. MONDELL. The Crows Nest Pass and the Lethbridge Pass are from 50 to 150 miles from the Canadian border. So a haul of 50 to 150 miles will bring that coal to the international boundary.

Our fields, of course, are all south of the Montana boundary. Some of them—the Rock Springs and Diamondville and Kemmerer fields—

are 250 miles south of the north border of our State, but those that lie nearest to the common markets in Washington and Idaho and Montana are all the way from 250 to 600 miles from those markets, while the Canadian coals are from 100 to 350 miles from the same markets. In other words, they are nearer those large American markets than we are.

Mr. BONYNGE. How far are the American markets from Great Falls?

Mr. MONDELL. I don't know the exact distance from Great Falls to the international boundary. It is 205 miles from Great Falls to Lethbridge. But there are coals nearer.

Mr. BONYNGE. How far are the nearest Canadian coal mines from Great Falls? What is the distance?

Mr. MONDELL. Less than 200 miles.

Mr. BONYNGE. How far are your mines from Great Falls?

Mr. MONDELL. Well, they have been upward of 400 miles. They are, I should say. Mr. Carney, do you know the distance from Sheridan to Great Falls by the new route?

Mr. CARNEY. About 400 miles.

Mr. MONDELL. About 400 miles.

Mr. BONYNGE. Colorado coals do not compete with Wyoming coals in that territory, do they, in Washington, Montana, and Idaho?

Mr. MONDELL. They do not compete except in the southern part of Wyoming, in Nebraska, and Kansas, and in the Dakotas. They compete sharply in all those States.

Mr. DALZELL. You have stated the locations of the various coal fields in your operation?

Mr. MONDELL. I have simply referred to this as I have referred to my notes. I have not filed any map indicating their location.

Mr. BONYNGE. I think perhaps it would be well if you would file such a map, showing where the different coal fields are.

Mr. BOUTELL. What is the source of fuel supply in western Washington and northwestern Oregon, west of the Cascades?

Mr. MONDELL. Washington, west of the Cascades, is supplied from Roswell and other mines in that State. We only reach the Washington market east of the Cascades.

Mr. BOUTELL. I understand, and the home supply west of the Cascades is from mines west of the Cascades.

Mr. MONDELL. The home supply west of the Cascades is from local mines.

Mr. BOUTELL. Do they produce enough to supply that home demand?

Mr. MONDELL. My recollection is that last year the importation at all Puget Sound points was only 50,000, as against 400,000 of importations into the Great Falls district.

Mr. GAINES. Do you know the distance of Washington coals from Seattle and Tacoma; are they near?

Mr. MONDELL. Well, within—yes; some of the mines are within 50 miles.

Mr. FORDNEY. Some of the mines are within 15 or 20 miles.

Mr. MONDELL. Some small mines are within 15 or 20 miles, I believe.

Mr. FORDNEY. Some of the large mines.

Mr. MONDELL. Roswell is, I don't know how far, probably 200 or 250 miles.

Mr. FORDNEY. There are some within 15 or 20 miles.

Mr. RANDELL. You want the tariff to remain at 67, do you?

Mr. MONDELL. We believe the tariff ought to be, in order to meet difference in wages, about 75 cents a long ton, which would mean about 70 cents a short ton.

Mr. RANDELL. It seems under the situation up there, if you have no tariff the railroads, by putting up the price of transportation, can supply you with the same protection. They did do that?

Mr. MONDELL. At a time when we had simply rebated the coal tariff for one year and when there was only one line of railroad across the international boundary.

Mr. RANDELL. It shows the power of the transportation companies and the cost of transportation in that country.

Mr. MONDELL. We prefer to be protected by law rather than by the railroad company.

Mr. RANDELL. If your hope of help there is in the tariff, could not the same power that supplies the place of the tariff by putting up a freight rate do away with the protection that the tariff affords by putting down the freight rate?

Mr. MONDELL. I think that is true, to this extent: That if an American railway was to reduce its rate into Great Falls to Spokane to a point much below the rate which other railroads make within American territory to the south, I think the Interstate Commerce Commission would take cognizance of that condition and afford us relief. I think we are fortunate in having the power to inquire into and regulate those rates in the hands of the commission. Therefore I think we should have the benefit, and with the railroad rate bill in effect, I do not believe the railroads of that district would attempt to deny us the benefit of the tariff by reducing the rate to Canadian coal; they certainly would not want to reduce it below what would be the fair price of transportation.

Mr. RANDELL. But in order to get that means of hoped-for relief, the people in New England and on the Atlantic coast and other parts of the United States, all through the United States, would be subject to buying coal with a tariff of 67 or 74 cents on the ton, and that would be a tremendous expense to the United States, and it would increase the expense of living very much in New England, and the expense of manufacturing plants, and that sort of thing. Have you worked out what the difference would make in that respect?

Mr. MONDELL. Judging from the experience that the people of Montana and eastern Washington had with the coal tariff at 42 cents a ton, I would say that in the long run the price paid by the consumer would be quite as high with the lower tariff, and would be without any tariff at all, as the price he pays now. The Canadian miner having the advantage of the situation, having that advantage, could lower to a point that would drive us out, and still have a profit. The minute we were driven out of the market, then the rate would gradually advance, as it did under the Wilson bill, to a point as high as it was originally, and in any event the reduction that drove us from the northern market was only a reduction of about 15 cents a ton, because we were supplying that market on a very close margin at any rate, and a reduction of 15 cents succeeded in driving us out.

Mr. RANDELL. But what you say applies to only a small portion of the United States, and the effect would be on the whole of the United States?

Mr. MONDELL. Well, I assume that this committee, in discussing this situation, must consider the whole country. Of course it is my duty to present the situation as it relates to my constituents, which I have attempted to do; but, sir, from what I know of the general coal situation, and I have studied it somewhat, I am of the opinion that the present duty is not a burden in any part of the country.

Mr. GAINES. The tariff of 67 cents a long ton on bituminous coal is not very high protection to the coal of the East. I know that the average profit on a ton of coal in the bituminous mines of the East does not amount, one year after another, to 20 cents a ton. In other words, that the producer of coal sells it on a close margin. I have understood that at a distance from the mines the consumers of coal pay a pretty stiff price, but that bears no relation whatever to any enhanced price by reason of the tariff, to the producer of coal. What is the average profit per ton of coal to a coal operator in your section?

Mr. MONDELL. I can not say as to that. At one time I was connected with a coal mine in our State. That was a good many years ago. I severed my connection with that operation in 1894, or a little before I was elected to Congress. For five years prior to that time the average profit on an output of about 1,500 tons a day was, I think, about 11 cents.

Mr. GAINES. A ton?

Mr. MONDELL. Yes, sir; for the five years. There are times when, with a suddenly increased demand, without the opportunity to meet it by opening new mines, the price will be temporarily enhanced to the operator and he will get a very good margin for the time; but as the years come and go, I should say that 25 cents a ton was much above the average profit in our country, and that it was probably nearer 15 cents; and I know in some cases it has been lower than that, so far as my knowledge goes. I do not pretend to have inside information on the subject, except as I have talked with the managers of mines in the State.

Mr. UNDERWOOD. Have you any iron mines in that territory?

Mr. MONDELL. Yes, sir; we have some iron deposits now being worked on a very large scale, and larger deposits that may be——

Mr. UNDERWOOD. What class ore is it?

Mr. MONDELL. It is a rather good Bessemer ore, carrying somewhere in the neighborhood of 60 per cent.

Mr. UNDERWOOD. I would say that would be very good ore.

Mr. MONDELL. It possibly does not run that much. I am not very familiar with the business, as the gentleman is, but possibly the average is not as high as that.

Mr. UNDERWOOD. Is it red hematite ore?

Mr. MONDELL. It is a red ore.

Mr. UNDERWOOD. In veins or pockets?

Mr. MONDELL. Well, the mines at Sunrise seem to be in a very large pocket or series of pockets.

Mr. UNDERWOOD. You said, I believe, that this coal you have in that country is not fit for coking purposes, but is purely domestic coal?

Mr. MONDELL. We have very little coking coal in Wyoming.

Mr. UNDERWOOD. One of the main reasons that you can not compete with the Canadian coal is that the Canadian coal is a very much superior coal, as I understand it.

Mr. MONDELL. That is one of the factors; that is only one of the factors. The gentleman understands that of two coals one may be superior for a certain purpose and the other command as high a price by reason of its superiority for another purpose.

Mr. UNDERWOOD. I understand that.

Mr. MONDELL. For instance, we have some very fine domestic coals in our State, coal that is low in ash, that ignites readily and burns with very little smoke.

Mr. UNDERWOOD. But this superiority of the Canadian coal over your coal is a superiority by nature and not due to artificial conditions, and it is a superiority that never can be overcome, is it not?

Mr. MONDELL. We do not expect to be able to overcome the superiority of the Canadian bituminous coals over our coals for certain purposes.

Mr. UNDERWOOD. Therefore the tariff, if it is put on there for that purpose of protecting it against that superiority, must remain there forever, logically?

Mr. MONDELL. I used the argument of the superiority of the Canadian coals for certain purposes, not as one of the controlling arguments for the tariff, but one of the things to be considered when, in addition to that, you take into consideration the fact that they are nearer many markets than our mines are, and the still more important fact that we are paying a very much higher wage than the Canadian mines are paying.

Mr. UNDERWOOD. I understand that, but what I mean is this: The development of this country, the development of your coaling interests and railroads, and so forth, could never overcome the natural superiority of the Canadian coals for certain purposes?

Mr. MONDELL. There will be some Canadian coals sold in that northern region without regard to the tariff. That is assuming that the tariff in any event would be a reasonable one. There will still be some Canadian coal sold, because it would meet a certain market; but if the Canadian coal came in without any tariff at all, it would take all of the market, because they not only have a coal that is superior to ours for smelter and steaming purposes, but they also have coals that are quite as good as ours for domestic purposes.

Mr. UNDERWOOD. I would like to ask you this: In the development of your mining industries, as your own coal is not a coking coal, it is absolutely necessary for the development of iron and steel industries in your State to have the Canadian coal?

Mr. BONYNGE. Oh, no. Can you not get those from Colorado, the coking coals?

Mr. MONDELL. It would be impossible to ever import any Canadian coal or coke to Wyoming, to the iron deposits, because of the very great distance. The iron deposits of our State are all in the central and southern portion of the State, and they lie all the way from 500 to 800 miles from the nearest Canadian coals. On the other hand, they have coking coal in Colorado.

Mr. UNDERWOOD. That is about the same distance away, is it not? I know that there is a great deposit of very good ore in our fields in that vicinity, very good ore.

Mr. MONDELL. There is some coking coal not far away in Colorado, as the gentleman perhaps knows.

Mr. RANDELL. How much coal does it take to make a ton of coke?

Mr. UNDERWOOD. Practically speaking, from one and a quarter to one and a fifth tons.

Mr. MONDELL. And in some cases up to 2 tons. When I was connected with the business I know it used to take 2 tons to make a ton of coke, but our coal was not very high in fixed carbon, and therefore it took more to make a ton of coke.

Mr. UNDERWOOD. I recognize that you have freight rates against you; that makes it difficult for you to compete; but for the general development of your iron interests and railroad interests, would it not be of more benefit to your people to have a cheap first-rate coal than it would to exclude it? Taking it in the long run, would it not be to the interest of the whole people of your State?

Mr. BONYNGE. Oh, no; you can get coke in Colorado. Colorado and Wyoming join each other.

Mr. MONDELL. No; we can get Colorado coke at a distance of from 250 to 350 miles. And our iron ore is now being smelted at Pueblo, in Colorado, with Colorado coke, and I assume that the future development of our iron industry will be with the use of Colorado and Utah coke. Utah has a considerable area of good coking coal.

Mr. UNDERWOOD. There are large deposits of iron ore also in Montana, and not very remote from Great Falls, are there not?

Mr. MONDELL. I do not know as to the iron deposits of Montana. I am not informed in regard to them. However, the importation of bituminous coal would not of itself necessarily affect the development of those deposits. That, of course, would be a question of coke.

Mr. UNDERWOOD. That is true, but either coke or coal must come in, to develop those Montana deposits, from the Canadian border.

Mr. MONDELL. The Wyoming coals and some of the Montana coals are used successfully for all of the metal smelting that is done in Montana.

Mr. UNDERWOOD. I understood that; but they can not make coke out of that.

Mr. MONDELL. No; they can not.

Mr. UNDERWOOD. And to make iron or steel you have to have coke?

Mr. MONDELL. Under present conditions, unless we shall develop electric processes, which we are likely to develop; in which event there are millions of acres of low-grade lignites in the immediate vicinity of those Wyoming and Montana deposits which could be used to great advantage in generating electricity; and the gentleman is aware that in an experimental way, at least, steel has been produced—and the gentlemen of the Geological Survey say has been produced, they believe, on a commercial basis, a basis of commercial economy—with the use of electricity. I desire to again emphasize the fact that my argument for the tariff is not based to any considerable extent on the comparative qualities of the coals. That is simply one factor. If our coal were as good as the Canadian coal in every respect as a steamer and for smelting purposes, even then we could not compete with the Canadian mines, owing to their proximity to the market, and to their lower wage rate, particularly to the latter. So we need protection against the lower wage rate and against the advantage in transportation which the Canadian coals

have; but if we simply took into consideration the condition in the wage scale alone, that in itself is enough to warrant the present duty on coal.

Mr. BONYNGE. How does the Colorado coal compare with the Canadian coal?

Mr. MONDELL. Colorado has some coal as good as the best in the Crows Nest Pass regions. Colorado has all grades of coal, from the very low-grade lignite to a very excellent grade of semianthracite coal.

Mr. BONYNGE. You can get your supply of that class of coal from Colorado, then?

Mr. MONDELL. Yes; we can.

Mr. BONYNGE. Better than you could from Canada?

Mr. MONDELL. Well, with a haul of less than half the distance, so far as we are concerned in Wyoming.

STATEMENT OF W. J. CARNEY, OF CHICAGO, ILL., WHO CLAIMS THAT AMERICAN COAL PRODUCERS ARE ALREADY SUFFERING FROM CANADIAN COMPETITION.

SATURDAY, *December 19, 1908.*

(The witness was duly sworn by the chairman.)

Mr. CARNEY. I do not think I can add to what Mr. Mondell has said, except that we are now suffering from this Canadian coal coming into our territory. Our mines are only running four or five days a week.

Mr. GAINES. Where is your mine?

Mr. CARNEY. At Sheridan, Wyo.—near Sheridan, Wyo. During the summer we only ran three or four days. Our trade has fallen off in Washington, where we shipped last year large quantities of our coal; it has fallen off 25 per cent.

The CHAIRMAN. Because the Canadian coal is better?

Mr. CARNEY. Because this Canadian coal is coming in there——

The CHAIRMAN. Because it is a better coal; is that the reason?

Mr. CARNEY. That is the reason, and the less freight, of course, in competition with us.

The CHAIRMAN. How much coal do you mine in Wyoming, altogether?

Mr. CARNEY. Last year the output, I believe, was six or seven million tons.

The CHAIRMAN. And how much was imported into Wyoming from Canada?

Mr. CARNEY. As I heard Mr. Mondell say, something like 410,000 tons into Montana and Washington.

Mr. FORDNEY. Mr. Chairman, the committee has been wanting some information on lumber trusts. Mr. Carney is one of the heaviest lumber men in the country.

The CHAIRMAN. Do not try to open up the lumber question again.

Mr. FORDNEY. He is one of the largest lumber men in the country, and I thought that probably some of the members of the committee would like to ask him some questions in regard to the lumber trust.

The CHAIRMAN. I do not think we want to go into that. We will excuse the witness now, and then if Mr. Fordney wants to recall him to ask him anything about lumber, he can do so.

Mr. FORDNEY. I have not asked to hear him in regard to that.

Mr. MONDELL. Mr. Holbrook and Mr. Gridley have informed me that in view of the considerable number of gentlemen who desire to be heard by the committee, they do not care to take the time of the committee to add anything to what I have stated in regard to our coal industry.

(Mr. Mondell filed the following papers:)

Coal production in States and Territories west of the Mississippi River in 1907, in short tons.

State or Territory.	Quantity.	Value.
	Tons.	
Arkansas	2,670,488	$4,473,608
California	[a] 24,089	91,813
Colorado	10,790,296	15,079,449
Idaho	[b] 7,588	31,119
Iowa	7,674,322	12,258,013
Kansas	7,322,449	11,159,698
Missouri	3,997,936	6,540,708
Montana	2,016,857	3,907,088
Nebraska	[c]	[c]
New Mexico	2,628,959	3,832,128
North Dakota	347,760	560,199
Oklahoma (Indian Territory)	3,642,658	7,433,914
Oregon	70,981	166,304
Texas	1,648,089	2,778,811
Utah	1,947,607	2,959,763
Washington	3,680,532	7,679,801
Wyoming	6,252,990	9,732,668
Total	54,623,471	88,685,169

[a] Includes Alaska. [b] Includes Nebraska and Nevada. [c] Included in Idaho.

Relative wages in coal mines in western Canada and in Montana in 1907.

OUTSIDE OCCUPATIONS.

Occupation.	Montana, October, 1907.		Canada, April, 1907.	
	Wages per day.	Hours per day.	Wages per day.	Hours per day.
Blacksmiths	$3.75	8	$3.67½	10
Blacksmiths' helpers	2.75	8	2.62½	10
Machinists:				
First class	4.00	8		
Second class	3.50	8		
Machinist			3.15-3.67½	10
Machinists' helpers			2.62½	10
Teamsters	3.00	8	2.62½	10
Timber framer	3.00	8	3.15	10
Box-car shovelers	3.00	8	2.62½	10
Car repairers	3.50	8	3.15	10
Car repairers' helpers	2.75	8		
Carpenter	3.75	8	3.67½	10
Carpenters' helpers			2.62½	10
Firemen	3.15	8	3.67½	12
			2.62½	8
Fan firemen	3.35	8	3.15	12
Oiler and wiper	3.00	8		
Wiper			2.62½	12
Breaker oiler			2.62½	11
Washer or tipple oiler			2.62½	11
Car oilers:				
Men			2.25	10
Boys			1.50	10

Relative wages in coal mines in western Canada, etc.—Continued.

OUTSIDE OCCUPATIONS—Continued.

Occupation.	Montana, October, 1907.		Canada, April, 1907.	
	Wages per day.	Hours per day.	Wages per day.	Hours per day.
Head dumpers	$3.00	8		
Tipple dumpers:				
Men			$2.62½	10
Boys			1.50	10
Engineer:				
First class	4.00	8		
Second class	3.50	8		
Power-house engineers			3.67½	12
			3.15	8
Tail rope engineers			3.67½	10
			3.36	8
Breaker engineers			3.15	10
Box-car-loader engineers			3.15	10
Tipple engineers			3.15	10
Locomotive engineers			3.15	10
Locomotive engineers' helpers or switchmen			2.75	10
Hoisting engineer			2.89	8
Outside labor, not classified	2.75	8		
All other outside labor			2.25	10

INSIDE OCCUPATIONS.

Drivers	$3.60	8	$3.75	8
Drivers in wet places			3.00	8
Rope riders	3.40	8	2.75	8
Main rope	3.75	8		
Main and tail men			3.00	8
Parting men and connection men	3.25	8		
Boy couplers and partings	2.25	8		
Couplers:				
Men			2.62½	8
Boys			1.57½	8
Bucker boys	2.35	8		
Buckers			2.62½	8
Motorman	3.50	8		
Inside engineer	3.25	8		
Locomotive engineer or motorman			2.89	8
Locomotive switchmen or motorman's helpers			2.62½	8

THE OWL CREEK COAL COMPANY, OF WYOMING, OPPOSES REMOVAL OF DUTY FROM BITUMINOUS COAL.

AMITYVILLE, N. Y., *December 21, 1908*

Hon. S. E. PAYNE,
Chairman Committee on Ways and Means.

DEAR SIR: I am president of the Owl Creek Coal Company, of Wyoming. We have invested $300,000 in opening a large coal mine, which we have opened under extraordinary difficulties. Our market is almost exclusively throughout the State of Montana. All the coals of Wyoming and Montana are lignite.

The coals of Canada, Province of Alberta, lying just north of Montana, are bituminous.

If you remove the duty, the coals of Canada must largely drive us out of the Montana market, in which event many of the mines in Wyoming and Montana will be obliged to close down, thereby depriving thousands of coal miners of work or driving them to Canada for

employment. It will have the effect to virtually depopulate a number of towns and retard the development of northwestern Wyoming and a large part of Montana for many years to come.

We, with other coal operators, opened our mines relying upon the tariff protecting us against Canadian coal. It therefore seems very unfair that just as we are getting into active operation, and after we have invested $300,000 cash, the tariff should be removed, causing us great loss and damage.

If this tariff be removed, then the United States should give a corresponding bounty to encourage the production of American coal, because it is impossible for the mines of Wyoming and Montana to produce and sell their coal any cheaper than they are now doing and make a living profit. The competition between the mines of Wyoming and Montana is fierce enough without exposing us to the competition to the first-class bituminous coking coals of Alberta, just across the border, where the government fosters and encourages mining of coal in every possible manner, where labor is cheaper, and conditions generally more favorable for economical working of the mines than in Montana and Wyoming.

While I am unacquainted with the conditions in Washington, yet it appears to me that the free importation of Canadian coal will be ruinous to the local mines of the State of Washington, as well as putting a great damper upon the infant coal industries of Alaska.

If, notwithstanding the weighty reasons against any removal of the duty on coal, your committee should decide that it should go, then, in common justice to the American mines and American miners, the date when such duty should be removed should be fixed at a period at least five years in the future in order that the American producers and miners can have time within which to prepare themselves for the disastrous effects of such action.

Very respectfully, yours, RUFUS J. IRELAND.

WESTERN PENNSYLVANIA COAL PRODUCERS FILE BRIEF RELATIVE TO RECIPROCAL FREE COAL WITH CANADA.

WASHINGTON, D. C., *January 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned coal producers of that section of western Pennsylvania known as the Pittsburg district, with an annual output of 40,000,000 tons of bituminous coal, respectfully urge that everything possible be done to establish reciprocal coal trade with the Dominion of Canada, and submit the following argument:

The question of the coal supply on either side of our northern boundary line is one controlled entirely by geographical conditions. In Canada the available deposits of coal are found in Nova Scotia and New Brunswick, in the Rocky Mountain region and in the Island of Vancouver. In the United States there is practically no bituminous coal found east of the Appalachian Mountains, and, excepting a few lignite deposits, there is none west of the Rocky Mountains. The large territory in Canada from a point 100 miles west of Montreal to another 200 or 300 miles west of Winnipeg finds in the

central coal fields of the United States its most natural source of supply; hence the quantity of Canadian coal that can come into the United States at the extreme eastern and western sections is much more than offset by that which goes to supply the requirements of the great interior section of the Dominion.

During the year ending June 30, 1908, the bituminous coal exported from the United States to Canada aggregated 6,851,700 tons, while the imports amounted to 1,255,036 tons, about one-half of which was from Nova Scotia and shipped to New England ports. Practically all of the coal sent to Canada was from the western Pennsylvania and Ohio fields.

The demand for coal in Canada is rapidly increasing, as a result of the construction of new systems of railroads, notably the Grand Trunk Pacific, which is to extend from ocean to ocean, the Canadian Northern, extending from Lake Superior through the great wheat fields of Manitoba, Saskatchewan, and Alberta, with a line projected from Winnipeg to Hudson Bay, and the Canadian Pacific, making extensions in the so-called Canadian Northwest. These roads have on their lines, or on projected lines in Alberta, coal of an inferior quality to that produced in Pennsylvania, but which they will use unless our coal can be delivered to them at a lower price than at present. The only way that the price can be reduced is by a reduction of the tariff, and we have reason to believe that if the United States will remove the tariff on coal coming from Canada, the Canadian Parliament will take similar action on that going from the United States. This action will materially stimulate the consumption of American coals, especially in the Province of Ontario, affording a decidedly increased market to the American producers.

A large portion of the coal now being exported to Canada is used by the railroads, who receive it during the season of navigation on the Great Lakes, which covers the months from April to November; and taking it as they do in these months provides labor for many thousands of miners, who otherwise would be only partially employed. This coal is carried to the Canadian ports on the Great Lakes from ports on Lake Erie for the most part in American bottoms, and gives employment to miners who dig the coal, railroad men who assist in its transportation, dock employees at Lake Erie ports, where it is transferred to vessels, and to large numbers of men employed on the vessels. With the increased tonnage sought, the number of men employed will increase proportionately.

In our opinion, the fear expressed by some interests engaged in mining coal in West Virginia and central Pennsylvania fields, that the abolition of the tariff would permit large quantities of Nova Scotia coal to come into New England ports, and thereby displace coal from the fields named, is not well founded. We believe that the development of the country in the Province of Quebec by the construction of the Grand Trunk Pacific Railway will greatly increase the quantity of coal used from Nova Scotia, thereby absorbing the product of the Nova Scotia producers to an extent that will not permit them to increase their shipments materially to any New England ports.

It is worthy of note, in this connection, that during the years 1902 and 1903, when the demand for bituminous coal was extraordinary, because of the anthracite strike, lasting from May 12 to October 24,

1902, the imports of Nova Scotia coal did not materially increase, notwithstanding that Congress remitted the duty on all coal for the year 1903, as is shown by the following figures from the department of mines of Nova Scotia under the heading "Nova Scotia exported to the United States:"

	Tons.
1901	590,086
1902	751,382
1903	968,832
1904	713,170
1905	652,538
1906	769,775
1907	616,312

The average for the seven years being 723,157 tons.

The fact that our imports in the year when the tariff was suspended showed an increase of but 145,675 tons over the average imports for the seven years is evidence that the Nova Scotia coal is not likely to seriously displace that produced in the United States.

The position of the operators signing this paper is that if the Canadian government does not abolish its duty on coal the present tariff be not disturbed.

Pittsburgh Coal Company, by W. R. Woodford, vice president; The Monongahela River Consolidated Coal & Coke Co., by A. Dempster, chairman; Pittsburg-Buffalo Co., by John H. Jones, president; Pittsburgh Westmoreland Coal Co., by D. W. Kuhn, chairman board; The Youghiogheny & Ohio Coal Co., by J. G. Patterson, vice president; Carnegie Coal Co., by J. T. M. Stoneroad, secretary-treasurer; Crescent Coal Co., by Sam'l A. Taylor, president; Mifflin Coal Co., by J. M. Taylor, treasurer; Blaine Coal Company, by H. A. Kuhn, president; Dunkirk Gas Coal Company, by H. A. Andrews, treasurer; The Fayette Coal Co., by A. M. Bell, assistant treasurer; United Coal Co., by W. S. Kuhn, president; Henderson Coal Co., by W. M. Henderson, president; Diamond Coal & Coke Co., by A. H. Stolzenbach, assistant treasurer; Dilworth Coal Co., by R. M. Mackenzie treasurer; Peoples Coal Co., by J. W. Friend; Pan-Handle Mining Co., by G. E. Blyth; Pittsburg & Erie Coal Co., by W. A. Luce, mine manager; Verner Coal & Coke Co., by Thomas Beadling, general manager; New York & Cleveland Gas Coal Co., by Geo. Z. Hosack, president; Rex Carbon Coal Co., by R. T. Donaldson, general manager; Bulger Block Coal Co., by J. W. Woomer, general manager; John M. Greek & Co., by John M. Greek; Mosgrove Coal Co., J. H. Sanford Coal Co., by J. H. Sanford, president; Mansfield Coal & Coke Co., by W. H. Shinn, secretary; Charleroi Coal Co., by Jesse K. Johnson, general manager; Creighton Coal Co., by J. K. Johnson, general manager.

THE SEATTLE (WASH.) CHAMBER OF COMMERCE REITERATES ITS OBJECTION TO REMOVAL OF DUTY FROM COAL.

SEATTLE, WASH., *January 4, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: The Seattle Chamber of Commerce has repeatedly and emphatically protested against the removal of the duty on coal, and its position on that important question is unalterable.

Mr. F. A. Hill, a consulting engineer of this city, on December 30, 1908, addressed to you a letter on this subject which I have carefully studied, and to which I respectfully direct your attention. From my personal knowledge of the subject, I feel that I am justified in saying that Mr. Hill's statements as contained in his letter are absolutely correct.

Sincerely hoping that your influence will be in favor of continuing protection to this industry which is of such vital importance in the development of the Northwest, and particularly of the State of Washington, I am,

Very respectfully, yours,

JOHN H. MCGRAW,
President Seattle Chamber of Commerce.

F. A. HILL, SEATTLE, WASH., SUBMITS BRIEF IN OPPOSITION TO REMOVAL OF DUTY FROM BITUMINOUS COAL.

SEATTLE, WASH., *January 14, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: I beg leave to submit statement of facts relating to the coal-mining industry of the State of Washington, also arguments presented herewith by the mine operators of that State showing why, in their opinion, the duty on coal should not be removed. I hope that your honorable committee will give this matter due consideration, because it has a vital bearing in the development of a large industry in our State.

The coal mines of Washington produced in the year 1907, 3,680,532 tons, of which amount the Northwestern Improvement Company produced 1,782,964 tons, practically all of which went to the Northern Pacific Railway; this leaves for the commercial mines 1,897,568 tons.

The total cost of all this coal mined was $7,678,801, or $2.04 per ton. Eighty per cent of this cost is labor, or a pay roll of $6,143,840. There were 5,945 employees in the Washington mines in 1907.

The employees engaged in coal mining in the coast district of British Columbia and the proportion of each class are as follows:

	Number.	Per cent.
Supervision and clerical	117	3.1
Whites:		
Miners	1,160	30.3
Miners' helpers	440	11.7
Laborers	652	16.8
Mechanics and skilled laborers	314	8.3
Boys	166	4.4
Japanese	174	4.6
Chinese	743	19.7
Indians and Hindus	23	.6
Total	3,769	100.0

Of the numbers scheduled above, 20.3 per cent are boys—Japanese, Chinese, Indians, and Hindus—receiving $1.35 to $1.75 per day as against $1.75 to $2.75 per day for the same class of labor in the State of Washington.

In the matter of miners, helpers, and laborers the same class of men receive 10 to 15 per cent more in Washington than they are paid in British Columbia. No Asiatic labor is employed in the Washington mines.

The cost of producing coal from the Washington mines has steadily increased the past five years, advancing wages, greater depths in mining, eight instead of ten hours for a day's work have all had their effect on increased cost.

In the matter of wages the average earnings of mine employees in 1903 was $2.46 per day of ten hours, in 1907, $3.19 per day of eight hours, an advance in wages of 30 per cent, a decrease in hours of 20 per cent, so that the advance cost represents at least 40 per cent to the mine owners.

The miners of this State are exceptionally fine men, and as miners can not be excelled. They are justly entitled to receive the best wages paid in the country.

Unlike all the other coal fields of the United States, the Washington fields are badly faulted and contorted, and there is no comparison between the Washington fields and those of British Columbia and Alberta, Canada.

The physical conditions surrounding our coal mines make them very difficult and costly to operate. This is applicable to all the commercial mines.

The coal from the Washington mines is bituminous, semibituminous, and lignite; very much lower in B. t. u. than the high-grade bituminous coals of British Columbia and Alberta.

The mines of British Columbia can produce coal at a cost of $1.40 to $1.80 per ton, those of Alberta at a cost of $1.10 to $1.30 per ton.

The freight rate on coal from Vancouver Island points is $0.75 per ton to Puget Sound points.

The freight rate from the Fernie fields, in British Columbia, to Spokane is $2.25 per ton, and from the Alberta fields to Spokane is $2.75 to $3.15 per ton.

The freight rate from the Roslyn district, Washington, to Spokane, Wash., is $2.50 per ton, and from the Western Cascade district to Spokane, $3 per ton.

The commercial coal mines of the State of Washington produce less than 20 per cent of lump or house coal. The coal, being very

friable, breaks up in handling and will, when shipped by vessel, reach dealers in San Francisco 65 per cent lump and 35 per cent screenings, and on board cars to any Washington dealers, 85 per cent lump and 15 per cent screenings.

The Vancouver Island coals are hard and reach dealers with less than 10 per cent screenings.

The wholesale prices of foreign coal in San Francisco during the years of 1902–3 were as follows:

	1903.	1902.
Wellington, screened	$8.00	$8.00
Wellington, screenings	4.50	4.25–4.50
Wellsend, average	6.50	6.50
Hetton, screened	7.00	7.00
Hetton, average	6.50	6.50
Gretta, screened	7.00	7.00
Gretta, average	6.50	6.25
Cannel	9.00	9.00
Welsh anthracite, average	9.00	8.50
Welsh anthracite, egg	13.00	13.00
Welsh anthracite, lump	11.50	11.50
Cardiff	9.00–9.50	9.00
Lelaw-Main or Richmond	7.50	7.50

No duty 1903. Who received it?

Which shows that that duty being off in 1903 did not lessen the selling price of coal.

All coal shipped from one port in the United States to another must be sent in United States registered vessels. From any foreign port to United States ports it is shipped in foreign registered vessels.

It has been shown that the people of San Francisco did not receive any benefit in 1903 by reason of no duty, the price of coal remaining the same as it was in 1902.

The mines producing the largest tonnage in the Fernie (British Columbia) field, 876,731 tons in 1907, are controlled by United States railroad owners.

The exports and imports of coal between the United States and Canada are as follows (see Mineral Industry):

	1902.	1903.	1904.	1905.	1906.
Exports	4,468,953	6,585,863	6,577,954	6,964,630	7,533,346
Imports	1,678,919	1,613,426	1,211,304	1,331,292	1,427,731
Difference	2,790,034	4,922,437	5,366,650	5,633,338	6,105,615

The exports are 95 per cent by way of the Great Lakes. The imports from Canada are one-half into Washington markets, and the other one-half into New England points.

House or lump coal sells in Seattle by the ton at $5, nut coal at $3.75, and screenings for steam use at $2.25. The proportion of these coals as mined and shipped are 40 per cent lump, 20 per cent nut, and 40 per cent screenings. The mine owner realizes at the mines for the principal coals of this description as follows:

40 per cent lump, at $3.75	$1.50
20 per cent nut, at $2.25	.45
40 per cent pea, at $1.25	.50
Total	2.45

These coals cost f. o. b. mines $2 to $2.30 per ton to produce.

It costs two to two and one-half times to put commercial coal f. o. b. in the State of Washington than it does in Pittsburg or the middle west district.

To produce, open, develop, and ship 500 tons of coal per day from Washington mines requires approximately an investment of $500,000.

There is an abundance of good coking coal in the State undeveloped.

ARGUMENT.

The above are facts. The State of Washington mine owners and employees submit that the reasons given above fully entitle them to ample protection for the coal industry and that the present rate of duty on coal and coke should remain.

It has been shown that fully one-half of the coal coming into the United States comes in direct competition with Washington, Montana, Oregon, and Wyoming coal.

For the commercial coal mines of the State of Washington to compete with the British Columbia and Alberta coal, if the duty is removed, means that all the small mines will have to close down, that the wages paid in all the other mines will be cut at least 30 per cent, and with this cut in wages nothing like the capacity of the mines, as they are now producing, can be expected. Where there is now a contented and well-paid lot of employees, there would be poorly paid employees, distress and dissatisfaction, as the mines would be run fewer days in the year.

The best mine employees would leave their homes for the neighboring provinces or cutting into other lines of work, and the country would lose desirable citizens.

The State of Washington coal mines would then be left in such condition that if an active demand came for coal, as it did in the winter of 1906–7, the supply could not be met, and the people of Washington would pay more additional money for their fuel in one year than the benefits accruing to all the rest of the country would amount to in five years.

During the winter of 1906–7, while the temporary shortage occurred, the British Columbia mines would not sell any coal for the market in this State, and their coast mines would not take care of coal depots in Alaska that they had been supplying for years.

You will ask why they refused to furnish this coal, and I will answer by saying that their agent in San Francisco had raised the price of coal from $12 to $15 per ton, and they wanted that extra $3 and they did not have the nerve to tell us that we could have it by paying the extra $3; they simply told us that they did not have it to spare.

In view of these facts it does not look as though the removal of the duty on coal would have the effect of protecting the consumer as regards prices or supply. It appears to me that the only way to do this would be to keep the duty on coal and encourage the development of the mines in the United States. In that way our country would be developed and enough coal would be mined so that local competition would keep prices down to where they should be.

It is a well-known fact that had the duty been off of coal from 1891 to 1897 all of the mines in Washington would have been forced

to close down, as the British Columbia mines would have flooded the market with their product at a price that the Washington operator could not meet, as they were even then selling their coal at so small a margin of profit that they could hardly continue to operate. At the present time British Columbia coal is being sold to the consumer in Seattle at $7 per ton, but certain retail dealers get a rebate of 75 cents per ton, with an ironclad agreement that they will not sell to the consumer for less than $7. In view of these facts, who would benefit by a reduction in the duty—not the consumer, nor the retail dealer, but the British Columbia mine operator. He would pocket the 67 cents and smile at making money so easy, and then he could smile again, because, on account of Washington mines closing down, large numbers of miners looking for work would go to British Columbia, and that would enable the British Columbia operator to reduce wages.

In order to keep the coal price stable on the Pacific coast, Washington mines must be protected so that the coal mines can be kept open and working regularly. It is impossible to let our mines lie idle for a year and then reopen quickly and go to work. Physical reasons prevent this, and to keep miners that can do work in the mines of this State the mines have to be regularly worked.

Washington coal will not stock; hence accumulation of stocks of coal can not be made to take care of sudden emergencies or demands for coal.

It has been shown that the freight rate from the Alberta coal field is $2.75 to $3.15 per ton to Spokane, Wash.; from the Washington field it is $2.50 to $3 per ton. The cost of producing coal in the Alberta district is $1.10 to $1.30 per ton, while it is $2.04 in the Washington field. The Alberta mine owners have largely increased their shipments to Spokane the past year and are, with the duty on, competing successfully with Washington and Wyoming coals.

The free duty of 1903 had no effect on Washington for one reason only: Early in 1903 a strike of the Wellington Collieries Company's employees occurred, which lasted a number of months, and the lost ground was not recovered until late in 1903. The Wellington Collieries Company mines four-fifths of the product of the coast mines of British Columbia. Had the strike not occurred, Puget Sound points would have been flooded with the Wellington product.

Remove the duty on coal and the loss to the State of Washington would not be less than $2,500,000 annually in wages alone. British Columbia mines can produce coal at less cost than the mines of Washington and Oregon. During normal or depressed times they would have a surplus and flood the Washington and Oregon markets and close up our commercial mines. As soon as there was a brisk demand, they, with such mines in this State as could be kept open, would immediately raise the price of the product to a high point, being in position to do so, as the mines of this State would not be able to supply the market. If the 67-cent duty remains on coal, the tonnage of this State will be increased to meet the demand as it may grow. New mines will be opened and are now being opened. Development of new coal mines has been proposed the last sixty days, which will be abandoned should the duty on coal be removed.

Removing the duty on coal could not possibly benefit the New Eng-
[1] States to offset the loss to this State. Should the New England

States receive six times as much foreign coal with no duty and they receive the benefit, it would only benefit them $2,193,521 annually, while the loss in wages alone to this State would be $2,500,000 annually, with a loss to the operators in invested capital of fully $6,000,000.

No reciprocal advantage can be gained with Canada. The mineral industry shows from three to five times as much export of American coal into Canada as the imports are from Canada. What advantage does Pittsburg or the Middle West expect to gain by reciprocal arrangement? They now have every advantage in prohibitive distances and freight rates into that part of Canada along the Great Lakes where their product is shipped. The Canadian coal fields lie in the extreme east and west of Canada.

The coal-mine employees of this State realize that it means distress to them, a breaking up of home ties and friends, if the duty on coal is removed or materially changed.

Below is a summing up of a few of the salient facts contained in this article.

SUMMARY.

It has been shown that if the duty is removed from coal the State of Washington will lose in salaries paid miners $2,500,000 annually, with a loss to the operators in invested capital of possibly $6,000,000, and should Canada reciprocate and remove the duty on coal going in there the operators of the Middle West and the eastern portion of the United States will be benefited to the extent of $2,193,521 annually.

It is shown that the country at large will gain nothing by the removal of the duty, because the mine operators of the Middle West and of the East are well protected on account of freight rates—that is, they have a market that can not be touched by anyone else. This shows very plainly that these operators, and they alone, would be benefited by a reciprocal removal of the duty on coal; and this ought to make plain to your committee the reason why the operators of the Middle West and the East are willing that the duty should be removed.

It has been shown in these arguments that the consumer of coal in the State of Washington will not be benefited by the removal of the duty and that the only one that would be benefited is the mine operator of British Columbia.

The removal of the duty would also allow the British Columbia operator to supply all the government posts on Puget Sound and in Alaska, as on account of our shipping laws transportation is so much less from British Columbia ports than they are from United States ports.

I believe your committee will see the inconsistency of passing laws that debar the mine operator of Washington from using cheap Asiatic labor in the mines and at the same time remove the duty on coal that is mined by these Asiatics and allowing it to compete with coal that is mined by high-priced white labor.

The removal of the duty would also affect our shipping on Puget Sound, as it would place the British Columbia operators in a position where they could ship their coal in foreign vessels to all Pacific coast ports.

It has also been shown that the removal of the duty will retard development of a great industry in the State of Washington, for the reason that quite a farm and dairying industry is dependent upon these mines for their market.

I take the liberty of attaching herewith letters from different mine operators of Washington indorsing all that has been said in this argument. I also attach a petition from the miners who work in the coal mines at Renton, Wash. These miners, not having a union, thought best to sign a petition to your committee. I am expecting every day a resolution from the mine workers of America, which resolution is to the effect that they as mine workers are bitterly opposed to the removal of the duty, as they are perfectly well aware that if it is removed a great many of them will be compelled to give up their homes and seek employment in British Columbia. As soon as this resolution arrives I will hand it to you.

Yours, respectfully,

F. A. HILL,
Consulting Engineer.

SUPPLEMENTAL STATEMENT FILED BY F. A. HILL, SEATTLE, WASH., RELATIVE TO BITUMINOUS COAL.

SEATTLE, *February 11, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: Under date of January 14, 1909, on behalf of the commercial coal-mine operators of the State of Washington, I submitted to your honorable committee a brief on coal duty. Additional facts having been obtained upon this matter, and, as a further consideration, that we are so far removed from the city of Washington that none of the operators were able to appear in person before your honorable committee, they now ask to submit, and you will receive, additional facts and arguments against the removal of duty on coal.

The attached map, showing location of coal industries in Canada and that portion of the United States that ships coal into Canada, compiled from official maps, with tabulation of distance from coal-producing points to the principal coal-consuming points, is for your consideration and study.

For the year 1907 there was imported into the United States 2,103,711 tons of coal (see "Production of Coal, 1907," calendar year, not United States fiscal year). British Columbia exported to the United States 651,076 tons (see "Reports of Minister of Mines for British Columbia, 1907"). Nova Scotia exported to the United States in 1907 616,312 tons (see "Statistics Department of Mines, Nova Scotia, 1907"). This leaves 836,323 tons to come from all other foreign points, part of which came from the province of Alberta, Canada, and approximately 350,000 tons into San Francisco from Australia and other points than British Columbia.

I have not exact statistical information, but I glean that three-fourths of the coal exported from Nova Scotia to the United States consists of slack coal, or that portion of the coal which will go

through a three-fourth inch screen, the duty on which is now 15 cents per ton.

I would refer you to "The Production of Coal in 1907," by Edward W. Parker, United States Geological Survey; for prices of coal, page 61; and for imports and exports of coal, page 62. A study of the condition therein reported, with the prices of coal, shows almost conclusively that the States of Washington, Montana, and Wyoming can not compete with the cheaper-mined coal of Alberta and British Columbia, with their close proximity to the markets of those States.

The Wellington coal mines in British Columbia can ship by water to all Puget Sound points and to Portland, Oreg., at about the same rate per ton as the Washington mines have to pay in freight rates to the same points.

The Crow's Nest field in British Columbia and Alberta, with coal superior to any in Washington, Montana, and Wyoming, is as close or closer to eastern Washington and Montana points than the mines of the States named.

It is seen by the map and table of distance that the Wisconsin, Pennsylvania, and Ohio fields are very much closer to a large part of the Canadian territory than are Nova Scotia and Alberta, and that distance bars coal from those provinces from being used in any of the country in Canada from Montreal to Winnipeg. It is to this section of Canada that the great bulk of the coal shipments from the United States go.

Referring to "Tariff Hearings" and brief of the Western Pennsylvania Coal Producers of January 13, 1909, it is shown that a large portion of the coal now being exported to Canada is used by the railroads. It is also shown that the denser populated districts of Canada are in close proximity to the Pennsylvania coal producers. Why should the people of the United States benefit Canadian railroads or Canadian people by taking off the duty on coal which provides a revenue of a million and a quarter dollars to the United States and protects a pay roll in the United States of at least $12,000,000, which would if the duty were removed lose the revenue to the United States Government and approximately $4,000,000 to the mine employee, with a large loss to the mine operator in plants that would necessarily have to close down on account of not being able to produce coal in competition with the cheaper-mined coals of Alberta and British Columbia.

On November 20, 1908, the "National Grange" filed resolutions for free lumber, coal, and iron ore. Quoting from their resolutions March 2: "We believe the duty upon any article should be and never exceed the difference in cost of labor in this country and in foreign countries in the production of such article." Comment is hardly necessary on this. We have shown that our cost exceeds the difference between the present duty and the cost in British Columbia and Alberta. What these costs are in Nova Scotia I do not know, nor in other foreign countries outside of British Columbia and Alberta.

Replying to Mr. Stowell: The Roslyn coal mines, 25 miles west of Ellensburg, belong to the Northern Pacific Railroad, who do not sell coal commercially. There are a few small country banks selling coal, and have been for some time, in Ellensburg, at $3.50 per ton for run-of-mine or steam coal and for $5.20 per ton for a screened

lump coal of very superior quality. What Mr. Stowell may have to pay the local dealer for a ton put into his coal shed I do not know.

The Washington commercial coal producers will agree with the last paragraph of Mr. Rufus J. Ireland's communication to you. It is not a theory with us, but a condition, both to the operators and to their workmen, and if for the general good of the United States in the future it is deemed that industries should not be protected, give us time to prepare ourselves for this result.

It is seen by the statistics and by all the matter in "Tariff Hearings" that Washington, Wyoming, and Montana are the States which will suffer by reason of a reduction in the coal duty.

Our industries are comparatively new; and if there is any merit in protection or in tariff for revenue, instead of a 67 cent duty we should have $1 at least.

Competition on the Atlantic seaboard keeps any foreign coal out that has to be reshipped on any railroad from the coast. Nova Scotia might ship in more tons of coal to those industries directly located on tide water, but competition amongst the coal-mine owners of the United States is keen enough to prevent any coal being shipped from coast points to the interior in the New England States; hence the benefit of a reduction of duty would only come to a few concerns, while it would vitally affect every coal-mine employee in Washington, Montana, and Wyoming.

We simply ask you to do that which is the greatest good to the greatest number of people working and having their homes in the United States.

I desire to correct statement of my former brief, clearly a misprint, as follows: "Of the numbers scheduled above, 20.3 per cent are boys, etc;" should read: "29.3 per cent." This is a matter which vitally affects the Washington coal operator. We are not seeking, nor have we had in over twenty years, any Chinamen or Japanese, and but a small number of boys, working in or around our mines.

The coal-mine owners of this State are, almost to a man, Republicans, and Republican majorities are found in our coal-mining towns. We stand by the tariff plank of 1908 that: "In tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad."

Yours, very truly, F. A. HILL.

CORK.

[Paragraph 416.]

THE ARMSTRONG CORK COMPANY, PITTSBURG, PA., SUBMITS NEW CLASSIFICATION FOR CORK AND CORK BARKS.

PITTSBURG, PA., *November 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

SIRS: Paragraph No. 416 of Schedule N of the tariff act of 1897 reads:

Cork bark, cut into squares or cubes, eight cents per pound; manufactured corks over three-fourths of an inch in diameter, measured at larger end, fifteen

cents per pound; three-fourths of an inch and less in diameter, measured at larger end, twenty-five cents per pound; cork, artificial, or cork substitutes, manufactured from cork waste and not otherwise provided for, eight cents per pound.

And paragraph 448 reads:

Manufactures of amber, asbestos, bladders, cork, catgut or whip gut or worm gut, or wax, or of which these substances or either of them is the component material of chief value, not specially provided for in this act, twenty-five per centum ad valorem.

If we may so far presume, we would suggest that paragraph 416 be revised to read as follows:

	Per pound.
Cork bark, cut into squares or quarters	$0.08
Manufactured corks and cork disks over three-fourths of an inch in diameter, measured at larger end	.15
Manufactured corks and cork disks three-fourths of an inch and less in diameter, measured at larger end	.25
Cork bark wholly or partially manufactured for life preservers or life buoys	.01½
Cork bark wholly or partially manufactured for cork insoles	.05
Cork floats, 3 inches and over in diameter, for nets and seines	.03
Blocks, sheets, pipe covering, forms or boards for insulating purposes, made from cork waste or granulated cork	.01
Granulated cork	.00½
Artificial cork, suberit, or substitutes for natural cork, made from cork waste or granulated cork and not otherwise provided for	.06
Manufactures of artificial cork, suberit, or substitutes for natural cork, made from cork waste or granulated cork and not otherwise provided for	.12
Cork paper or split cork thinner than 100 to the inch	1.25

The present tariff on manufactured corks is not higher than necessary to protect the industry in the United States. In 1897, when the present act became law, the value of the importations of cork bark was $1,323,408 and of manufactured cork bark $463,740.23. In 1907 these values were $2,358,873 and $1,704,030, respectively. This will show that under the present tariff the importations of manufactured corks have increased much faster than those of the unmanufactured cork bark. The average ad valorem duty in 1907 was 22.93 per cent. The approximate value of the corks annually consumed in the United States is $5,000,000, the importations being about 34 per cent of this amount.

The first clause of paragraph No. 416, Schedule N, reads: "Cork bark cut into squares or cubes, 8 cents per pound." We suggest the substitution of the word "quarters" for cubes. Squares or quarters are the trade terms for the blanks from which corks are cut and the word "cube" is not used.

We suggest the addition of the words "cork disks" to the second clause. Since the enactment of this act cork disks have become a very important article of importation, and the question has arisen whether the word "corks" covers disks. The present tariff of 15 cents per pound has not been sufficient to protect the manufacturers of cork disks in this country, and at least three-fourths of the demand is supplied from abroad, it being cheaper to manufacture them in Spain and pay the specific duty of 15 cents per pound, or the ad valorem duty of 25 per cent for articles not otherwise provided for.

The present tariff does not specifically provide for the duty on cork bark wholly or partially manufactured for life preservers;

cork insoles; cork paper; for cork floats; for cork sheets and forms for insulating purposes; for granulated cork; and for manufactures of artificial cork or cork substitutes. These articles have been imported to a greater or less extent under an ad valorem duty of 25 per cent for articles not otherwise provided for. The result of this is undervaluation, and also attempts to import certain classes of cork products as cork bark unmanufactured. The conscientious importer is at a distinct disadvantage in competing with the less scrupulous ones. As the volume of these importations is not large, it is very difficult for the custom-house officials to find persons to intelligently appraise this merchandise. In our judgment, it would be fairer to all importers to have these items definitely covered by a specific duty, and we think the figures we have suggested are fair and not higher than they should be to protect the industry in the United States. We, ourselves, at the present time are importing cork blanks for making cork soles, seine corks, and cork blocks for life preservers, as we can do so cheaper than we can make them in the United States. We do not see any good reason why the protection on this line should not be sufficient to give the American workmen at least a portion of this work.

We suggest that paragraph 448 of Schedule N remain unchanged in so far as it relates to manufactures of cork.

From 4,000 to 5,000 people are employed in cork making in the United States. Machinery is used to a great extent, and most of it is of American invention, but owing to its first cost and to the many cracks and other defects in cork bark which have to be avoided, it must be worked with care and discrimination to get economical results; therefore, machinery entirely automatic, such as is employed in wood working, can not be used to advantage owing to excessive waste, and intelligent operatives, more or less skilled, are required in the industry. During the past ten years American machinery has been extensively introduced abroad and is now largely employed in Spain and Portugal. On another page we set forth the average wages paid cork workers, both male and female, in the United States and the prices paid for the same labor in Spain and Portugal, the principal cork producing and manufacturing countries, from which it will be seen that the American workman is paid on the average at least four times as much as his European competitor. Much has been said about the ineffectiveness of this cheaply paid foreign labor, but in our own factory in Spain we find that we can and do get as large an output per operative as we do in our factory in Pittsburg, and the piecework prices paid do not exceed one-fourth of those paid for the same work in Pittsburg. The United States manufacturer is further handicapped by the fact that rents and other expenses are also greater and he must provide better buildings for properly housing his operatives and merchandise than are necessary in the milder climate of Spain and Portugal.

In our judgment, a reduction in the present scale of duties will cause a hardship to the American workman, as any material decrease in the protection would necessitate an adjustment of wages to suit the new conditions. Corks, with the exception of cork disks, are not consumed by a few industries, but the output is scattered in comparatively small quantities all over the country.

Since 1897 there has been a gradual and steady decline in the selling price of corks of all kinds in the United States. The market prices are lower now, and were lower during the busy year of 1907 than they were in 1897, when the present act became a law.

We submit the following tables showing the working of the present duties, the wages paid for the different classes of labor in this country and abroad, and some other data which we thought would prove to be of interest and of service to you in reaching a conclusion on this particular part of Schedule N:

Size.	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000 at $0.15 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
High quality wine corks:	*Pounds.*			*Per cent.*		
No. 8, 1¼-inch	4.8	$3.50	$0.72	20.57	$4.22	$4.49
No. 9, 1½-inch	5.7	3.80	.85½	22.5	4.65½	4.80
Fine quality wine corks for wines, export beers, etc.:						
No. 8, 1¼-inch	4.8	2.40	.72	30	3.12	3.24
No. 9, 1½-inch	5.7	2.80	.85½	30.3	3.65½	3.60
Fine beer corks for steamed beer:						
No. 8, 1¼-inch	5	1.80	.75	41.7	2.55	2.56
No. 9, 1½-inch	6	2.20	.90	40.9	3.10	2.90

At least three-fourths of the bottle corks imported are in the two sizes above mentioned, being used for pint and quart bottles. A few are used of different diameters or longer or shorter lengths, but the duties will show about the same ad valorem equivalent. The labor and expenses of making 1,000 corks of a given size from low quality cork bark are as much or even a little more than for making the same quantity of high-grade corks. Therefore the equivalent ad valorem duty is higher in the low qualities than in the higher grades.

Size.	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000 at $0.25 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Vial corks, XXXX quality, regular length, Nos. 1 to 6, inclusive	*Pounds.* 0.95	$0.75	$0.23¾	*Per cent.* 31¾	$0.98¾	$0.90
Vial corks, XXX quality, regular length, Nos. 1 to 6 inclusive	1.0	.58	.25	46	.83	.77

	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000 at $0.15 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Cork disks, 1¼-inch diameter by one-ninth of an inch thick	*Pounds* 0.68	$0.42	$0.102	*Per cent.* 24.3	$0.522	$0.58

At least three-fourths of the disks used in this country are imported, as the present duty, which is equivalent to about 24 per cent ad valorem, is not sufficient to protect the industry in the United States.

	Weight per 100 dozen pairs.	Cost in Europe per 100 dozen pairs.	Duty, at $0.05 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Cork insoles, men's sizes	*Pounds.* 50	$9.00	$2.50	*Per cent.* 2	$11.50	$14.00

	Weight per 1,000.	Cost in Europe per 1,000.	Duty per 1,000, at $0.03 per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Seine corks, 5-inch	*Pounds.* 200	$18.00	$6.00	*Per cent.* 33⅓	$24.00	$24.50

LIFE PRESERVER BLOCKS.

	Cost in Europe per set.	Duty, at $0.1½ per pound.	Ad valorem.	Total cost.	Cost to manufacture in United States.
Weight per set, 6 pounds	$0.20	$0.09	*Per cent.* 45	$0.29	$0.80

Formerly almost all of the cork bark wholly or partially manufactured for cork insoles, seine corks, and cork blocks for life preservers was manufactured in the United States. Now the great bulk is imported. To protect our business we have been obliged to manufacture these articles in Spain, it being cheaper to pay the ad valorem duty of 25 per cent than to make them in this country.

Life preservers are made from the cheapest grade of cork bark. The labor is proportionately high to the cost of the material itself, and shows a correspondingly high ad valorem equivalent. Spain also levies an export duty of about one-half cent per pound on cork bark unmanufactured.

	Weight per 1,000 sheets.	Cost in Europe per 1,000.	Duty at 25 per cent ad valorem.	Duty at $1.25 per pound.	Total cost.	Cost to manufacture in United States.
Cork paper, AA quality:	*Pounds.*					
5 by 10 inches	0.75	$5.70	$1.42½	$0.94	$8.64	$7.00
4 by 6 inches	.375	2.85	.71¼	.47	3.32	3.50
A quality:						
5 by 10 inches	.75	3.45	.86¼	.94	4.39	4.75
4 by 6 inches	.375	1.75	.43⅞	.47	2.22	2.40
B quality:						
5 by 10 inches	.75	1.50	.37½	.94	2.44	2.80
4 by 6 inches	.375	.83	.20⅞	.47	1.30	1.50

Cork paper is a comparatively new article of manufacture and is principally used for cigarette tips. Approximately 50 per cent of the cost is in labor and factory expenses aside from material. The bulk of this paper is now imported. Owing to the great difference in the value of the several grades there is great inducement to evade the

present ad valorem duty of 25 per cent by undervaluation. Such irregularities are hard to detect owing to the difficulty of finding persons with expert knowledge to intelligently appraise the importations.

Weekly wages paid cork workers.

	United States.	Spain.
Men:		
Cork-bark sorters	$13.00 to $15.00	$3.50 to $4.50
Slicers	12.00 to 13.00	3.00 to 3.50
Blockers	14.00 to 16.00	3.00 to 3.50
Boys	5.00 to 12.00	1.50 to 3.00
Women:		
Machine operatives	5.00 to 8.00	1.20 to 1.50
Sorters	6.00 to 9.00	1.20 to 1.50
Packers	6.00 to 8.00	.....

Our factories operate fifty-five hours per week.

The above data as to wages are taken from our own pay rolls in Pittsburg, Pa., and Seville, Spain, and we know are fairly representative of wage conditions in the United States and Spain.

Respectfully submitted.

ARMSTRONG CORK COMPANY,
CHARLES D. ARMSTRONG, *President.*

JOSE TORRES, NEW YORK CITY, OPPOSES ANY INCREASE IN THE DUTIES ON CORK AND CORK PRODUCTS.

NEW YORK CITY, *November 23, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I am going to give you certain figures with regard to the actual duties on corks. I inclose some of them for your perusal, as I know that the Armstrong Cork Company will try to raise them in some cases, because they claim theirs are an infant industry; also it has been in existence for half a century and can oversell all cork manufacturers of Europe all over the world. I do not give you any other sizes of tapers, because duties being prohibitive, very few have been imported, and only at intervals when the cork trust had raised the prices away up.

If your committee examines the price list of the Diamond Cork Company, of Brooklyn, which is exactly the same as the Armstrong Cork Company, of Pittsburg, as far as the prices and sizes of corks are concerned, you will find that although there are about 600 sizes and qualities of taper corks, only about 30 sizes have been imported in very small quantities during ten years.

In regard to straight corks, which pay 15 cents per pound duty, the machine-cut corks can not be imported to compete with the American product. Large quantities of hand-cut corks were imported several years ago, the hand labor in Europe being cheaper than in America, but these hand-cut corks have been substituted by crown

corks, which are all made in this country. Whatever hand-cut corks are imported, they are left in bond to be shipped to other countries.

The cork disks which are imported now pay 25 per cent duty on its value, although the Armstrong Cork Company are importing theirs at higher prices to make your committee believe that the duty on this article must be increased. I beg your committee to look at the invoices of cork disks of the Crown Cork and Seal Company, of Baltimore, L. Mundet & Son, of Brooklyn, and others to find out the facts. The Crown Cork and Seal Company, of Baltimore, have imported all their disks from Europe for several years back. Lately they came to the conclusion that they can produce the same article here cheaper than they can get it in Europe, and they have opened a large cork factory in Baltimore. Your committee will find out that the importations of cork disks have diminished by one-half or more this year, and this only on account of the Crown Cork and Seal Company having decided to manufacture their own disks. Therefore, no fair protection can be given to the Armstrong Cork Company on this article.

Yours, truly, JOSE TORRES.

Cost of production of corks by the Diamond Cork Company, of Brooklyn, N. Y., in the past ten months from January to October 31, 1908.

Month.	Sales.	Expenses.	Percentage.
January	$10,888.28	$8,660.90	33-78
February	8,233.96	2,977.88	36-16
March	9,911.23	4,538.11	45-78
April	12,108.96	2,953.88	24-40
May	15,059.81	4,359.97	28-95
June	16,357.98	4,761.99	29-11
July	12,377.94	5,267.45	42-55
August	13,638.70	3,121.09	23-89
September	16,318.68	3,954.15	24-22
October	16,334.91	4,465.22	27-33
Total	131,180.45	40,060.64	
Average			30-54

Import duties on taper corks from Nos. 1 to 6 XXX, extra long, used for patent medicines and by retail druggists.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	Ounces.		
No. 1 XXX, extra long, 1.90 pesetas	8.25	$0.13-$0.80	35
No. 2 XXX, extra long, 2 pesetas	11.00	.17- .19	47
No. 3 XXX, extra long, 2.58 pesetas	15.20	.23- .75	50
No. 4 XXX, extra long, 2.64 pesetas	22.00	.34- .37	71
No. 5 XXX, extra long, 2.88 pesetas	25.00	.39- .98	67
No. 6 XXX, extra long, 3.78 pesetas	31.00	.49- .44	65

The Spanish peseta is depreciated 12 per cent to-day, and has been for a number of years more than that, but no less.

Import duties on taper corks from Nos. 1 to 6 XX, extra long, used for patent medicines and by retail druggists.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	Ounces.		
No. 1 XX, extra long, 1.10 pesetas	8.40	0.12-.25	80
No. 2 XX, extra long, 1.15 pesetas	11.20	.16-.38	79
No. 3 XX, extra long, 1.40 pesetas	15.40	.22-.75	90
No. 4 XX, extra long, 1.40 pesetas	22.40	.29-.75	118
No. 5 XX, extra long, 1.50 pesetas	25.90	.39-.20	145
No. 6 XX, extra long, 1.90 pesetas	32.20	.54-.40	159

The Spanish peseta is depreciated 12 per cent to-day, and has been for a number of years more than that, but no less.

Import duties on taper corks from Nos. 1 to 6X, extra long, used for patent medicines, inks, mucilages, etc.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	Ounces.		*Per cent.*
No. 1X extra long, 0.75 peseta	9	0.14-0.06	100
No. 2X extra long, 0.75 peseta	12	.18- .75	139
No. 3X extra long, 0.75 peseta	12	.26- .56	196
No. 4X extra long, 1 peseta	24	.37- .50	208
No. 5X extra long, 1.25 pesetas	28	.43- .75	194
No. 6X extra long, 1.50 pesetas	35	.54- .69	202

This quality is one of the most used in the line of tapers.
The Spanish peseta is depreciated 12 per cent to-day, and has been for a number of years more than that, but no less.

NEW YORK, *November 24, 1908.*

Hon. COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The writer forgot to mail you yesterday the cost of production of taper corks in Spain. No doubt you will be very much surprised when you will see that the taper corks cost more to produce in Spain than in this country; nevertheless this is a fact which you can easily find out by asking the consul-general of Barcelona to report to your committee in regard to this matter. The reason why the cost of production of tapers is higher than the cost of production in this country is because in America they use the best power machines of the latest inventions, while in Spain they produce these corks with hand-power machines.

Cost of production of taper corks in Spain, as per our books in our factory in Palafrugell, 38 per cent of the invoice prices.

Trusting that this will illustrate you in regard to the unfair duties taper corks are paying now, I remain,

Yours, truly, JOSE TORRES.

MANUFACTURERS OF CROWN CORKS CLAIM THAT DUTIES ON CORK DISKS ARE UNNECESSARILY HIGH.

BROOKLYN, N. Y., *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned are manufacturers of crown corks. We beg you to remind your committee that the duties on cork disks are too high at present and beg you to reduce them from 15 cents per pound to 10 cents per pound. Imported cork disks pay now 25 per cent of their value, and by looking at the importations of the Crown Cork and Seal Company, of Baltimore, L. Mundet & Sons, of Brooklyn, and others, you will find this to be a fact, although the Armstrong Cork Company, representing the cork trust, are importing these cork disks at higher prices to make your committee believe that the percentage of duty is not high enough.

If the manufacturers of crown corks have to depend on the cork trust alone for our supply of cork disks, we know that before long we shall be put out of existence. The Armstrong Cork Company, with a capital of $4,500,000, and the Crown Cork and Seal Company, of Baltimore, with a capital of $5,000,000, will combine to close up our factories. We can not depend to get our supply of cork disks from the independent cork factories, because these are of no importance and are unable to supply one-third of the demand.

To give your committee a more correct idea of how the cork industry stands now, we give you the capital stock of all the cork factories in the United States, independent of the cork trust: Diamond Cork Company, of Brooklyn, N. Y., capital stock $10,000; Paddock Cork Company, of Brooklyn, N. Y., capital stock $60,000; Empire City Cork Company, of Brooklyn, N. Y., capital stock $25,000; National Cork Company, of Brooklyn, N. Y., capital stock $20,000; Century Cork Company, of Brooklyn, N. Y., capital stock $25,000; Trusslow & Fuller, Jersey City, N. J., capital stock $35,000; Viatemple Brothers, Newark, N. J., capital stock $5,000; Chicago Cork Works, Chicago, Ill., capital stock $25,000; total, $205,000, against the capital of $4,500,000 of the Armstrong Cork Company.

The patent on the bottle-capping machine will expire April 23, 1909. After that date, no doubt, crown-cork factories will spring up all over the country, but if your committee will shut up the European market for cork disks by not lowering the duty on same, then the monopoly between the Armstrong Cork Company and the Crown Cork and Seal Company, of Baltimore, will be an accomplished fact.

Trusting that our petition will have the careful consideration of your committee, we remain,

Yours, very truly,

MANHATTAN CORK SPECIALTY CO.,
MANUEL PRUNEDA,
Secretary and Treasurer.
AMERICAN CORK SPECIALTY CO.,
JOSEPH H. FITZPATRICK,
Secretary and Treasurer.

FRANCISCO LLADO FARRELL, OF NEW YORK CITY, ASKS FOR REDUCTION IN RATES OF DUTY ON CORKS.

SATURDAY, *November 28, 1908.*

Mr. FARRELL. Mr. Chairman and gentlemen of the Committee on Ways and Means, we, the undersigned importers of Spanish and Portuguese corks, beg to protest most strongly against the present excessive rate of duty on corks.

We would briefly call the attention of this committee to the following facts: In the first place, as there are no cork trees or cork woods grown in the United States, it can not be argued that a high protective duty is needed or is in any way necessary to protect this product. Therefore, the only ground for a tariff on this article is for revenue to this Government or to protect home industry in the manufactured article; but in this case there is no necessity for an excessive tariff on corks, inasmuch as the home manufacturers are so highly protected by the excessive tariff that they now control about 85 per cent of the cork industry in this country, and which has practically killed competition with the importers of corks.

Of course, the consumers are the druggists, wine manufacturers, brewers, bottlers, and all users of corks, and must pay for this unnecessarily high rate of duty. A lower tariff would allow of fairer competition, from which these consumers would also receive the benefit.

In this connection we would say that as the direct result of the present excessive rates of duty on imported corks the cork importers have been in a badly demoralized condition for years past, which condition in turn has worked serious damage to the buyers and consumers of corks, who must use them for the bottling of their various kinds of products.

It is a fact that previous to the McKinley and Dingley tariff there were many importers of corks and about an equal number of manufacturers of corks in this country. However, since then the cork importers have been almost wiped out, due to the prohibitive duty on this article. If the present rate of duty continues during the next administration, the cork combination in this country will then have absolute control.

The present excessive tariff on corks has led to the usual undesirable result of giving a few large manufacturers a practical monopoly. In other words, as is well understood in the cork trade, there is a so-called "combination" or "trust," which has agreed on prices and which has driven out its rivals, the importers, and practically controls the output of all kinds of corks.

As long as the present prohibitive rates of duty on corks continue, just so long the cork combination can hold its monopoly against fair competition.

As Spain and Portugal absolutely control the raw material, which is the corkwood, the proposition is now being considered by the above-mentioned Governments to retaliate against our prohibitive tariff by placing an export duty on their corkwood.

If this should be done, it would seriously affect not only our manufacturers of corks, who are shielded against all outside competition by the present high tariff, but all users of corks. And yet there is

no good reason why Spain and Portugal should not treat us to the same kind of prohibitive duties as we have raised up against them, particularly as this is one of their largest industries.

Owing to the great decrease in imports on corks each succeeding year since the McKinley tariff went into effect, there has been a heavy falling off in revenue under the present tariff to this Government.

The statistics, compiled by the Bureau of Statistics in Washington, are wrong respecting the importation of corks for the reason that cork disks and corks, both measuring three-fourths of an inch or over in diameter, are included in the same figures, though two different articles. This is a very important matter for the reason that the statistics show an increase in importation on corks measuring three-fourths of an inch or over, which includes corks and cork disks. Though the importation of cork disks has increased, the importation of corks has decreased very materially, which important matter I request your committee to investigate.

Corkwood is allowed to come in free, while there is a duty of 15 cents a pound on all manufactured corks measuring three-fourths of an inch or over in diameter and 25 cents a pound on all corks measuring under three-fourths of an inch in diameter, which is prohibitive, as every importer of corks knows.

This country exacts the highest duty on corks of any other country in the world.

Without going into the full details we believe, and therefore we ask, that a duty of 8 cents a pound on corks measuring three-fourths of an inch or over and 10 cents a pound on corks under would afford ample protection to the cork manufacturers of this country.

The proposition may be stated briefly, thus: The price of corkwood, which is the raw material, has remained practically the same for the past fifteen or twenty years in Spain and Portugal; but the McKinley tariff raised the duty on the manufactured product 50 per cent. The protective combination has taken advantage of this situation; so that while the raw material, or corkwood, costs the same as before, the trust had gradually raised the prices of corks to the consumers from about 25 to 50 per cent.

Therefore, in conclusion, both in the interests of the revenue to this country and for the benefit of the consumers of corks, we ask this committee to reduce the tariff schedule, as above suggested, to 8 cents a pound on corks measuring three-fourths of an inch or over in diameter and 10 cents a pound on corks measuring under.

STATEMENT MADE BY JOSEPH TORRES, OF NEW YORK CITY, RELATIVE TO CORK AND CORK PRODUCTS.

SATURDAY, *November 28, 1908.*

Mr. TORRES. I only want five minutes, Mr. Chairman.

The CHAIRMAN. Proceed.

Mr. TORRES. The Armstrong Cork Company, or the "cork trust," as we call them, control 85 per cent of the corks and cork products manufactured in this country. They establish the market prices on these articles and do as they like because they are protected by a tariff ranging from 100 to 200 per cent on imported tapers. The cost of

production in Spain is higher than it is in this country on account of the inferior machinery there in use. The wages are only half of the wages paid in this country. The cost of production in this country is from 25 to 30 per cent of the value of the goods after being made ready for the market. To prove this, I present tables showing the cost of production during the past ten months of the Diamond Cork Company, of Brooklyn. The Armstrong Cork Company can produce their goods much cheaper than the Diamond Cork Company on account of their better facilities and larger production. I give you also a table showing the prices that I get for my taper corks in this country. If you will look at them, you will find that I make 15 per cent gross profit as an average.

If I am able to import tapers and make 15 per cent profit, after paying from 100 to 200 per cent duty on their value in Spain, and the cost of production in Spain is higher than it is in this country, how much profit will the Armstrong Cork Company make on their product? This is a hard nut for your committee to crack. These taper corks are cut in Spain by hand-power machines, and the working girl cuts 20,000 per week and gets $2 wages. The taper corks in this country are cut by power machines, and one girl feeds these machines at the rate of 75 corks per minute, producing every week 243,000 corks, or 223,000 more than the Spanish girl. The American girl gets from $4 to $5 per week. These are facts which it will be easy for your committee to verify. But let us suppose that the Spanish workingman could have the same machines as the Armstrong Cork Company. My experience during twenty-five years of manufacturing on both sides has been that the Spanish workingmen produce about two-thirds of what the American workingmen produces here. Now, then, if we make things to suit the cork trust, and we admit that taper corks can be produced in Spain for one-half of what they can be produced for here, we shall come to the conclusion that it will cost in this country $30 to produce $100 worth of corks, while in Spain it will cost only $15. In other words, to equalize the cost of production the cork trust needs 15 per cent duty on the imported tapers. Now they are protected by from 100 to 200 per cent. Last April the cork trust raised the price on tapers from 20 to 25 per cent. This your committee can find out from any retail druggist in Washington. Could the trust do that if the tapers could be imported from Europe? Why does the cork trust allow me to import tapers? Because I import only about $20,000 worth a year, and as the cork trust sells over $1,000,000 worth every year, in order to cut me down altogether they would have to reduce the market price 15 per cent, the profit I make on my goods, and this would be a loss to the trust of over $150,000 every year. I therefore ask your committee to change the schedule on taper corks from 25 cents per pound, which they pay now, to 10 cents per pound, and on the straight corks from 15 cents per pound, which they pay now, to 8 cents per pound, because if the trust can compete now with the Spanish manufacturers in Porto Rico, Cuba, Mexico, and all the southern republics, they will be able to compete with better advantage in this country provided they limit their profit to 20 or 25 per cent.

I will ask you to note that we do not import any smaller number than No. 1, because there is no sale for them.

(The tables submitted by Mr. Torres are as follows:)

BROOKLYN, N. Y., *November 27, 1908.*

Duties on imported tapers at 25 cents per pound from Nos. 1 to 6 X, XX, and XXX, extra long, these three qualities being the most used among retail druggists, patent medicine, ink and mucilage manufacturers, etc.

Price in Spain for 1,000 corks.	Weight of 1,000 corks.	Duties at 25 cents per pound on 1,000 corks.	Percentage of duties on 1,000 corks.
	Ounces.		*Per cent.*
No. 1 X, extra long, 0.75 pesetas	9	0.1406	100
No. 2 X, extra long, 0.75 pesetas	12	.1875	139
No. 3 X, extra long, 0.75 pesetas	18	.2656	196
No. 4 X, extra long, 1.00 pesetas	24	.3750	208
No. 5 X, extra long, 1.25 pesetas	28	.4375	194
No. 6 X, extra long, 1.50 pesetas	35	.5469	202
No. 1 XX, extra long, 1.10 pesetas	8.40	.1225	60
No. 2 XX, extra long, 1.15 pesetas	11.20	.1633	79
No. 3 XX, extra long, 1.40 pesetas	15.40	.2275	90
No. 4 XX, extra long, 1.40 pesetas	22.40	.2975	118
No. 5 XX, extra long, 1.50 pesetas	25.90	.3920	145
No. 6 XX, extra long, 1.90 pesetas	32.20	.5440	159
No. 1 XXX, extra long, 1.90 pesetas	8.25	.1289	85
No. 2 XXX, extra long, 2.00 pesetas	11	.1719	47
No. 3 XXX, extra long, 2.58 pesetas	15.20	.2375	50
No. 4 XXX, extra long, 2.64 pesetas	22	.3437	71
No. 5 XXX, extra long, 2.88 pesetas	25	.3906	67
No. 6 XXX, extra long, 3.78 pesetas	31	.4844	65

The Spanish peseta is depreciated 12 per cent of the gold value.

The average duty on these three qualities of tapers, as it appears, amounts to 101 per cent, but it should pay, according to our invoices, 139 per cent, because there are more Nos. 3, 4, and 5 used in proportion than Nos. 1, 2, and 6.

BROOKLYN, N. Y., *November 27, 1908.*

Cost of the production of corks by the Diamond Cork Company, of Brooklyn, for the first ten months of 1908.

Month.	Sales.	Expenses.	Percentage.
January	$10,838.28	$3,660.90	33.78
February	8,233.96	2,977.88	36.16
March	9,911.23	4,536.11	45.78
April	12,106.96	2,953.89	24.40
May	15,069.81	4,359.97	28.95
June	16,357.98	4,761.99	29.11
July	12,377.94	5,267.45	42.55
August	13,688.70	3,121.09	22.80
September	16,318.68	3,954.15	24.22
October	16,334.91	4,465.22	27.33
Total	131,180.45	40,060.64	
Average			30.54

BROOKLYN, N. Y., *November 27, 1908.*

Cost, in pesetas, per 1,000 tapers from Spain (the peseta being depreciated 12 per cent of the gold value).

	X.	XX.	XXX.
	Pesetas.	*Pesetas.*	*Pesetas.*
No. 1	0.75	1.10	1.90
No. 2	.75	1.15	2.00
No. 3	.75	1.40	2.58
No. 4	1.00	1.40	2.64
No. 5	1.25	1.50	2.88
No. 6	1.50	1.90	3.78

Selling price in the United States per 1,000 tapers.

	X.	XX.	XXX.
No. 1	$0.3402	$0.5103	$0.6461
No. 2	.3402	.5103	.6461
No. 3	.3836	.6394	.8078
No. 4	.5103	.7238	.9156
No. 5	.7658	.8502	1.0773
No. 6	.8939	1.0640	1.3468

Average profit about 15 per cent.

The average duty paid on these tapers is 101 per cent, but they pay more than that, because there are more Nos. 3, 4, and 5 used in proportion than Nos. 1, 2, and 6. The average duty as per our importations should be 139 per cent.

The average cost of producing taper corks in our factory in Palafrugell, Spain, during the last ten years, has been between 35 and 40 per cent of the value of the goods after being ready for the market.

STATEMENT OF FERDINAND GUTMANN, OF NEW YORK CITY, RELATIVE TO DUTIES PLACED ON CORKS.

SATURDAY, *November 28, 1908.*

The CHAIRMAN. How much time do you want?

Mr. GUTMANN. About fifteen minutes.

The CHAIRMAN. How much?

Mr. GUTMANN. Fifteen minutes.

The CHAIRMAN. Fifteen minutes? I wish you would get along with ten. I guess you had better try.

Mr. GUTMANN. I will if I can.

The CHAIRMAN. There are a good many people here from a distance. If you come here a week from Monday morning we will hear you.

Mr. GUTMANN. I would rather discuss it now, Mr. Chairman.

The CHAIRMAN. All right; ten minutes, then.

Mr. GUTMANN. I am one of the independent cork dealers that is left since the enactment of the recent tariff law. The reason of that is very apparent. If you gentlemen will look at the custom-house records and see what has transpired, it will prove to you that a certain class of goods has been absolutely impossible to import, in spite of the fact that the raw material is on the free list. Gentlemen, the goods that are made in this country are made on the best machines

that have ever been invented in Europe and here, but still there is a duty enacted, or a duty asked, all the way from 60 to 200 per cent. The good reason for that is, as they claim, that they need protection against European manufacturers. This is done entirely by hand work. The result of this has been that the importation of the medium and poorer classes of goods has absolutely been prohibited. It has changed us in this country into using patent stoppers instead of corks altogether, and it is well known all over Europe, in France and Germany, that this country is receiving for its money, so far as the trade is concerned, poorer value than any other country that is buying corks, and the result of it is that we are to-day compelled to use a patent stopper like this which I have in my hand here, because we can not get corks at the proper value.

Gentlemen, I am asking you to regard here one schedule which you have which says: "Corks, three-quarters of an inch and over, 15 cents a pound duty." If you gentlemen will take the trouble to look at what has been imported in recent years of the description of corks that used to be imported, you will find that there is not 20 per cent left of the importation of old, but that 80 per cent is very thin shavings like that which is in that disk which is in that patent stopper, because we can not buy corks as we did of old.

Mr. CALDERHEAD. Where do these corks come from?

Mr. GUTMANN. The disks I have just shown you?

Mr. CALDERHEAD. No; the corks.

Mr. GUTMANN. The corks come from Spain, and the duty that is being paid in 1908 amounts to $365,000 that was paid, and you will find that 80 per cent of that is for that very article; and it is further proven that the very concern that is controlling to-day 85 per cent of the article in the United States is importing that article itself, because of the very good reason that we have conditions in this country that we can not change, namely, in regard to labor, the question that has controlled this country. We are elegant and can not be surpassed on the machinery end, but we can not show that the great industry that Spain has had for centuries has been supplanted by our labor, and I will prove it by the result of every serious attempt we have made. We have ourselves opened a factory in this country under the greatest cost; we have imported the finest machinery that Europe has; we have engaged the greatest number of help that we could possibly find for that industry; and after a trial of a whole year we have found that it is impossible—you can not show people here that it will pay them to assort goods as we are assorting in Europe. In other words, our young girls who are employed principally for that work are entirely too intelligent, too proud, and are too independent to settle down to so tedious a work, and the result with us has been that we were not able to retain, although we were willing to pay the best wages that are paid for cork sorters in this country, 3 per cent of our entire force, whereas in Europe our record shows that we did not lose 2 per cent during the entire year. This is an industry over there that has been going on for centuries. It is an industry that has held its own. The monopoly here even has had to buy from Europe that very article. And still it is protected by a duty of 15 cents a pound.

FERDINAND GUTMANN & CO., NEW YORK CITY, FILE BRIEF RELATIVE TO THE CLASSIFICATION OF CORKS.

NEW YORK, *November 30, 1908.*

Hon. S. E. PAYNE,
Chairman House Committee on Ways and Means.

DEAR SIR: In the interest of the cork industry and in justice to all, I respectfully call your attention to the following conditions:

The tariff on manufactured corks is divided into four schedules.

The duty on corks cut into squares and cubes is 8 cents per pound, whereas the raw material is free of duty. There is so heavy a penalty on the mere cutting up of the bark into squares that no manufacturer in this country can profitably import them, as shown by the total imports for the year ending June 30, 1907, which amounted to $133 in value, on which duty to the amount of $17.36 was collected. This item, therefore, may safely be eliminated as anyone manufacturing corks in this country could not possibly pay such an impost and compete with the free raw material. The difference in labor for the mere cutting up of raw material between the cost of labor in Spain and the United States would not be more than half of the amount which the present tariff assesses as duty.

The second schedule is for corks three-fourths inch or less in diameter, which pay 25 cents per pound duty. In the year ending June 30, 1907, the quantity imported was 91,591 pounds, with a value of $54,413, on which duties to the extent of $22,897 were levied, an average of 42 per cent ad valorem.

This heavy tax has operated to prohibit the importation of the cheap and medium grades of corks, commonly known as "tapered corks," of which very large quantities are consumed in this country and which, under the present tariff schedules, can not be imported because the tariff on some of the sizes and grades required runs from 60 to 200 per cent ad valorem. The result has been that while the raw material is free of duty, the manufacturing of this class of corks has been confined to a large extent to one large factory, and as their product is turned out by automatic machinery, as compared with the hand labor in Europe, it can readily be seen that there could not possibly be any such difference between the cost of labor in this country and Europe as is represented by the tariff of from 60 to 200 per cent on these particular goods. The consequence has been that the imports in this schedule have been confined almost exclusively to the comparatively small requirements of such consumers as demand only the very highest grade of goods, which the American manufacturer, owing to the entirely automatic nature of his manufacturing, can not produce as against the hand labor of Europe.

The third item in the schedule is on corks over three-fourths inch in diameter, on which a duty of 15 cents per pound is imposed. This schedule showed imports of 2,186,088 pounds, valued at $1,489,448, upon which duties amounting to $327,913 were collected for the year ending June 30, 1907, showing an average of 22 per cent ad valorem. The high average price per pound of the imports in this schedule shows clearly that these imports were confined largely to the higher-priced wine and whisky corks, as well as to cork disks or washers,

which are used in large quantites in the manufacture of patent bottle stoppers used on all carbonated as well as still liquids, and which have in recent years become a household article and necessity.

The wine and whisky corks are being manufactured to a great extent in this country by machines, and again the same proposition confronts us as on the smaller tapered corks—that a large volume of business and large revenues are lost to the Government because the raw material is entered free. The goods are manufactured by machinery, although sold as hand-cut corks, and the product being marketed by practically one concern, the tariff affords them a protection which on the cheaper and medium grades varies from 60 to 100 per cent, which, considering the mechanical labor used in this country as against the hand labor in Europe, is clearly exorbitant.

The disks to which I have referred, and which are used in very large quantities, consumption of which will increase rather than diminish, are assessed at 15 cents per pound. It is clearly shown by the imports that the largest manufacturer in this country, and the one who controls practically the entire business in corks in the United States, is compelled to import these disks from Europe because of the fact that the mechanical labor which gives him the advantage on the wine and whisky corks and on the smaller taper corks can not possibly give him the advantage despite the high tariff that he secures in the other schedules. This is due to the fact that these washers are so thin that they must be specially well assorted to prevent the leakage of the liquid through the pores of the cork, and our American labor (girls in this instance) is too intelligent, too quick, too ambitious to be tied down to so tedious and so nerve-racking an industry as the sorting out by hand of the required quality that is demanded in this product.

A very pat illustration of this fact is one that I can cite from my own experience, in view of the fact that one of the firms which I represent in Europe of these very cork disks. In order to facilitate our business here we induced this manufacturer to establish a plant for us in this country, and just about a year ago they decided to make this attempt. They had the advantage of the best mechanical engineers who had installed their concededly perfect plant on the other side; they had the advantage of the head of the firm, who is one of the most capable manufacturers in Europe, and were very confident from investigations that we had made that the duty of 15 cents per pound was more than ample to cover the difference in cost of labor between this country and Europe. They gave the experiment a full year's trial, and after having, at a great cost, equipped a perfect plant in one of the largest floor spaces used for such purpose in this country, at the Bush Terminal factories, after having equipped it with the perfected machinery imported from the other side and the most approved electric motor power which could be secured in this country, they were compelled after one year's trial to dismantle this plant and go back to Europe because they found that the American labor could not be trained to do the very peculiar work which is required on this particular article.

The children from birth over there are trained in this industry, and from the time they toddle around they become accustomed to handling of corks. The sorting of these goods is so trying to the untrained eye, and the labor in itself is so tedious that our experience

is, of the labor we had engaged when our factory was first started here a year ago, there was 3 per cent left when the factory was finally dismantled; in other words, there had been such continuous changes that at the end of one year only 3 per cent of the original organization in that department remained. Our experience in Europe, on the other hand, shows that labor of this kind shows a 2 per cent loss at the end of the year; in other words, at the end of the same year in our European factory we had the same equipment of girls for this labor, with the exception of only 2 per cent, that we had at the beginning of the year.

Given all these elements, does it not seem futile to levy a tax of 15 cents per pound on a material which can not be produced in this country and the import of which could surely be increased if the duty were lowered?

I therefore am firmly of the opinion that the entire schedule with reference to corks could be reduced profitably to the Government, because it would increase imports in certain lines, whereas the American manufacturer could at the same time be amply protected by levying a duty of 10 cents per pound on corks three-fourths inch or less in diameter, and of 9 cents per pound on corks over three-fourths inch in diameter.

The only other item in this schedule is "other manufactures of cork," on which a duty of 25 per cent is levied in this schedule. The items are somewhat numerous, but there is one particular item which to my knowledge is not and can not be produced in this country, and that is cork paper in thin sheets, which is used to considerable extent, and the consumption of which could be materially increased if a reduction in duty were to prevail, and as there is no American manufacturer of this material that can claim that he is producing it, I believe it would be to the advantage of the Government to increase the import of this material, which I believe could be done largely if the duty were reduced to 15 per cent.

Respectfully submitted.

FERDINAND GUTMANN & Co.,
FERDINAND GUTMANN, *President.*

PHILADELPHIA CORK MANUFACTURERS URGE RETENTION OF PRESENT DUTIES ON MANUFACTURED CORKS.

PHILADELPHIA, PA., *November 30, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

SIRS: As cork manufacturers, of Philadelphia, we earnestly appeal to you for the retention of the present duties on manufactured corks. Our reason for this is that the present tariff on manufactured corks is not higher than necessary to protect the industry in the United States. We give as evidence of this the statistics showing the increase of the value of the importations of manufactured corks since the enactment of this law, together with the value of importations of unmanufactured cork bark. The first year after the present act became law the importations of unmanufactured bark amounted to $1,323,408, and of manufactured corks $463,740.23; whereas in 1907

the value of the importations of unmanufactured cork bark was $2,358,873, an increase less than 80 per cent, and in the same year the value of the importations of manufactured corks was $1,704,030, an increase of almost 200 per cent. The total importations we estimate at about 35 per cent of the consumption in the United States. Spain levies a duty of half a cent per pound on unmanufactured cork bark. The weekly wages paid cork workers in the United States averages about four times as much as is paid for the same labor in Spain and Portugal. Owing to this difference we are unable to compete with foreign manufacturers anywhere except in the United States, and could not do so successfully here without protection. Our business being confined entirely to the United States, the competition among American manufacturers is such that there has been a steady decline in the selling prices, not excepting the year 1907, and are lower now than they were in 1897. The total output of corks is distributed in small quantities throughout the United States.

We estimate that about 5,000 people are employed in this industry in the United States, and a change in the duty would undoubtedly necessitate an adjustment of wages to suit the conditions, as the returns now to the manufacturer on the capital invested are not by any means large; and in order that the present scale of wages paid American cork workers be maintained and a fair return on the money invested by the manufacturer may be had, we urge upon you the importance of the retention of the present duties on all kinds of manufactured corks.

Respectfully submitted,

JUSTUS BRAUER & SON, (INC.).
J. GEO. BRUECKMANN & SON.
ALFRED L. BUTZ.
A. F. STOY & Co.

CHARLES DE WITT & CO., BALTIMORE, MD., WRITE RELATIVE TO CORKS, CORK BARK, AND CORKSCREWS.

BALTIMORE, *December 2, 1908.*

Chairman PAYNE,
House Ways and Means Committee, Washington, D. C.

DEAR SIR: Cork bark for manufacturing purposes, which is now admitted free, should carry a duty, as all tapered corks made in Europe are practically excluded, owing to the duty of 23 cents per pound, hence the Government loses thereby; and straight or hand-cut corks now carry a duty of 25 cents per pound, and the only reason these are imported, is because some buyers prefer the Spanish hand-cut corks, which are not cut in America. What the Government should have would be more revenue on cork bark, or else admit tapered corks at 10 cents per pound duty instead of 25 cents.

We understand the tariff question, we think; the manufacturers here want high tariffs, the importers here want low tariffs, we don't care anything about the tariff, but what we are writing are the facts, and the writer, Charles De Witt, is willing to appear before the committee if requested to do so, and give any information that he can.

Apropos of steel wire, etc. We inclose a corkscrew. This corkscrew we are buying from the manufacturer whose invoice we inclose, and

you will note that he charges us 8½ cents per gross. We can buy the same corkscrew, made by the Rockwell Clough Company, of Alton, N. H., at 5½ cents per gross for export only; that is to say the house of Geo. Borgfeldt & Co., New York (jobbers), offered these corkscrews at 5½ cents per gross for export only, or 60 per cent less than home price of the trust, and these were made by the same firm, Rockwell Clough Company, of Alton, N. H. What we are giving you are facts, as you will notice by inclosures.

These corkscrews are sold in this country by the combine at 8½ cents per gross and shipped abroad at 5½ cents.

Please return inclosures.

Truly, yours,

CHARLES DE WITT & Co.,
Manufacturer and Dealer in Machine and Hand Cut Corks.

EXHIBIT A.

NEW YORK, *August 22, 1904.*

Memorandum of agreement made with Messrs. Charles De Witt & Co., of Baltimore, in regard to their order for 10,000 gross of wire corkscrews:

Messrs. Charles De Witt & Co. will either take delivery of 5,600 gross of corkscrews, subject to approval on the part of Mr. Semler, to be exported to Germany and imported again to Baltimore, at a price not exceeding 5½ cents per gross, plus freight both ways, and, if necessary, an additional 5 per cent commission. In case this proposition is not accepted, Messrs. Charles De Witt & Co. to be indemnified to the amount $100; the order to be off.

GEO. BORGFELDT & Co.

EXHIBIT B.

NEW YORK, *August 3, 1904.*

Messrs. CHARLES DE WITT & Co.,
Baltimore, Md.

GENTLEMEN: We have your favor of July 29 inquiring about the delivery of the 10,000 gross of corkscrews.

We have communicated with the manufacturer by letter and wire and expect to be able to advise you in a day or two.

Yours, truly,

GEO. BORGFELDT & Co.

EXHIBIT C.

AUGUST 8, 1907.

Sold to Charles De Witt & Co., address, Baltimore, Md. Terms, ten days' sight draft. Shipped via Pennsylvania Railroad.

2,703 gross B. bronzed cork rings, $0.08½ $229.75

Completes order January 16, 1907.

C. T. WILLIAMSON WIRE NOVELTY Co.

EXHIBIT D.

BALTIMORE, *December 10, 1908.*

Mr. REINHARD SCHWABE,
Gerresheim bei Dusseldorf, Germany.

DEAR SIR: We thank you for yours of November 28, and, as you say, the import duty (which is entirely too excessive on these little corkscrews) would prevent anybody in this country from buying any abroad. Your price is all right of 5½ cents per gross, but if you will add about 60 per cent duty they would cost 8½ cents. The wire or steel trust here sell these corkscrews in this country to the consumer at 8½ cents per gross, and for export they meet your price of 5½ cents and ship goods from here to England; that is to say, they will sell their corkscrews in your country at your price, and in this country 60 per cent higher.

Our tariff committee is now working on this question, but we don't anticipate any relief on the tariff matter; and, looking at the matter pecuniarily, we care nothing about it. As we are both jobbers and importers, the tariff question doesn't bother us. If we manufactured goods here, we would want the tariff 100 per cent, so as to shut out competition. If we imported goods manufactured outside of this country, we would want the tariff lowered, so we could fill our pockets with money. And this tariff question, Mr. Schwabe, appears to be an individual, peculiar question. The view that we are giving you is unbiased; the masses and the farmers (and everything comes out of the ground) are slaughtered in this tariff question. Carnegie would never have given away libraries had tariff not been in his favor, and the writer voted for Mr. Taft.

Thanking you very much for the trouble you have taken, we remain,
Truly yours,

CHARLES DE WITT & Co.,
CHAS. DE WITT.

THE CENTURY CORK COMPANY, NEW YORK CITY, ASKS AN INCREASE OF DUTY ON CORK DISKS OR WASHERS.

NEW YORK, *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Respecting the proposed revision of the tariff, we respectfully suggest that in the interest of domestic manufacturers of corks the duty on cork disks or washers such as are used for crown corks and similar stoppers, should be placed at not less than 25 cents per pound, instead of 15 cents per pound, as under the present tariff.

The making of such stoppers as we have referred to is practically a monopoly of one manufacturer in this country, whose supply of such cork disks is secured from a factory operated entirely for the purpose of producing these cork disks for the manufacturing of the stoppers referred to. This factory, located in Spain, employs, we believe, a larger number of people in producing these cork disks than are employed in all of the cork factories of the United States combined,

and the present duty is not sufficient to allow the domestic manufacturer to compete with these imported cork disks.

Crown corks have to a very great extent displaced the old-style cork stoppers formerly in use, and under present conditions the domestic manufacturer has not even the opportunity to supply the cork disks which are a part of the crown corks referred to.

Cork waste, which is a by-product accumulated in the manufacturing of cork stoppers, is used almost entirely in the manufacturing of linoleum, and because of the fact that it is admitted free of duty the domestic manufacturer can not secure the price to which he should be justly entitled for the cork waste which he accumulates in his manufacturing.

We respectfully point out to you the fact that, on an average, from 66 per cent to 75 per cent of the total amount of cork bark used in manufacturing in a cork factory becomes waste material, and must be disposed of by the manufacturer of corks to reasonably good advantage if he wishes to show any favorable results in the conduct of his business. In fact, we believe that all manufacturers of corks depend mainly on the sum which they realize for their cork waste to show any profit whatever in their manufacturing. We respectfully suggest that cork waste, which is accumulated in the manufacturing of corks, is not a raw material, but is really cork wood partly manufactured. This cork waste is ground into small particles in preparing it for use in the manufacturing of linoleum and similar products, whereas if the cork bark in the original form were used for the purpose it would be necessary to cut it into small pieces before it could be subjected to the grinding process. This we explain to confirm our contention that cork waste is a partly manufactured article of cork, and in justice to domestic manufacturers of corks who depend on the sale of their waste to conduct their business to advantage, we respectfully suggest that there should be a duty of not less than $5 per ton on this material.

Respectfully submitted.

CENTURY CORK COMPANY,
OSCAR HEYMAN, *President.*

THE NATIONAL CORK COMPANY, BROOKLYN, N. Y., ASKS SPECIFIC DUTIES ON VARIOUS CORK SPECIALTIES.

BROOKLYN, N. Y., *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We beg your attention to our views on the question of tariff on cork manufactured and partly manufactured.

Under the present rate of duty the importation of corks has increased from $463,740 in 1897 to $1,704,030 in 1907, or an increase of 228 per cent, and equaling about one-third the total consumption in this country, while the increase in cork bark or raw material during the same period was about $1,000,000, or approximately 78 per cent increase.

A large percentage of the increased importation of manufactured corks is made up of cork disks or caps which can not be manufac-

tured here at the cost of imported ones, as they are so thin and light (weighing about 11 gross to the pound) the present rate of duty is not sufficient to protect the home manufacturer, which is also the case with many other manufactured corks, as the wage scale in Spain is about one-fourth of the wages paid the cork workers in this country, and the competition among the manufacturers in this country, of whom there are about twenty, is very keen.

We beg to offer a list of our views on corks and respectfully advocate a change from ad valorem to specific duty on specialties such as seine corks, cork insoles, cork paper, life-preserver block, etc.:

	Per lb.
Corks over ¾-inch diameter large end	$0.15
Corks less than ¾ inch	.25
Cork bar cut into cubes or squares	.08
Life-preserver blocks	.01½
Cork insoles	.05
Seine corks	.08
Pipe covering and insulating boards	.01
Ground cork	.00½
Artificial cork	.06
Manufactures of artificial cork	.12
Cork paper	1.25
Cap corks or disks, all sizes	.25

Trusting you will give this your earnest consideration, we are,

Very truly, yours,

NATIONAL CORK COMPANY.
D. SUTHERLAND, Jr.

THE PADDOCK CORK COMPANY, BROOKLYN, N. Y., SUGGESTS A SCHEDULE OF RATES FOR MANUFACTURES OF CORK.

BROOKLYN, N. Y., *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We are greatly worried over the proposed revision of the tariff. A reduction of the present rate of duty would mean the destruction of the entire cork industry of this country and the throwing out of employment of many now engaged in the manufacture of corks.

The introduction of patented stopper devices has during the past ten years revolutionized the entire cork business. Ten years ago the average value per gross of production was between 35 cents and 40 cents. To-day it is not over 15 cents to 20 cents. This reduction of value is due to the universal adoption by the trade of the Crown, Phoenix, and other patented stoppers, and there is left at present for the American manufacturer to produce nothing practically but the so-called druggists' or tapered corks, cork disks, and cork specialties.

During this period, in which the value of the finished product has been more than cut in half, the wages to the operators have increased from 25 per cent to 35 per cent, male operators receiving to-day from

$12 to $15 per week, as against $9 to $12 per week ten years ago; girl operators, sorters, from $5 to $8 per week, as against $4.50 to $6 per week in 1897; tapering machine feeders, from $4.50 to $5, as against $3 in 1897. Thus the actual cost of production is more than doubled.

The European manufacturers have the advantage over us in many ways, owing to cheap labor, in some instances one day's pay of our average wage being equal to two or three days' pay in Europe. They can make many of the smaller-sized tapered corks out of scrap, material that it would not pay us to manufacture. Besides, by the introduction of cork-cutting machinery, they are enabled to secure the same daily production per man as in this country.

Ocean freights are also a great handicap. The foreign manufacturer only has to pay on the finished product, while we have to pay on the raw material, from two-thirds to three-fourths of which is cork chips, shavings, and scrap, formerly called "waste," which has a value of about only 1 cent a pound.

The present rate of duty only equalized, approximately, the difference in labor cost as it was at the time the Dingley tariff was adopted. It is insufficient to-day.

We ask, therefore, that at least on the kind of cork and manufactures of cork on which the present duty is so low as to allow yearly increasing quantities to be imported, a sufficient advance be made to overcome this anomaly. We suggest that a specific duty be adopted throughout to prevent fraud and undervaluation.

	Per pound.
Cork disks	$0.25
We suggest that these disks be classified separately as corks, as they have taken the place of corks, and are being used as such. They can not at present be manufactured in this country in competition with the foreign article. If they could, it would procure profitable employment for thousands of American workmen.	
Manufactured corks, over three-fourths of an inch in diameter, measured at larger end	.15
Manufactured corks, three-quarters of an inch and less in diameter, measured at larger end	.25
Cork bark, cut into squares or quarters, formerly called cubes	.08
Cork paper or split cork, thinner than 100 to the inch	1.25
Granulated cork	.00½
Cork chips, shavings, or scrap, formerly called "waste"	.00½
Years ago this was really waste. To-day it is gathered by specially made machinery, kept scrupulously clean, separated from all foreign material and large pieces, entailing much labor and expense in order to keep it properly prepared for the manufacture of linoleum, cork insulation, etc., etc.	

We ask that the above schedule of rates be adopted. They are but sufficient to equalize the difference between foreign and domestic labor. We also ask your serious consideration for a duty on cork scrap (waste). Formerly it was not considered of great value—to-day it is the principal source of income, with some factories its value exceeds their net income.

Very respectfully,

PADDOCK CORK CO.
J. T. DINGEE, *President.*

THE CHICAGO (ILL.) CORK WORKS COMPANY PROTESTS AGAINST ANY REDUCTION IN DUTY ON CORKS.

CHICAGO, *December 2, 1908.*

WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

GENTLEMEN: Being unable to appear personally at the hearing allowed persons interested in articles shown in schedule N of the tariff act of 1897, we desire to enter our protest against any reduced rate of duty on corks as contained in paragraph 416.

According to our best judgment, the existing duties are not higher than necessary to protect the American manufacturers and employees against the foreign competition we are compelled to meet. Our material comes mostly from Spain and Portugal, where the wages paid working people are about one-third or less than paid same class of workers in this country.

It may be of interest to you to know the wages paid cork workers in Chicago, viz:

Men:	
Cork-bark sorters	$13 to $14
Blockers	12 to 13
Slicers	11 to 12
Women sorters	5 to 8

We trust you will see the necessity of allowing the present tariff on corks to remain as it is.

Yours, very truly, CHICAGO CORK WORKS COMPANY,
S. D. SIMPSON, *President.*

GEORGE W. LEE, OF PEABODY, MASS., OPPOSES ANY INCREASE OF THE DUTY ON CUT CORK SOLES FOR SHOES.

PEABODY, MASS., *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS.

GENTLEMEN: We are advised that there is before you a petition from the Armstrong Cork Company relative to the duty on cut cork soles, in which they make the claim that the duty of 25 per cent ad valorem on a price of 88 cents per gross is not sufficient, and urging the placing of a specific duty of 8 cents per pound on same, and we would like to present for your consideration a few facts of interest having a bearing on the question. We are, to my best knowledge and belief, the only competitor of the Armstrong Cork Company in this line, and we formerly cut our own cork wood. A few years ago, with no solicitation on our part, we were offered imported cut soles at 88 cents per gross, which offer, after due consideration, we accepted. This price we consider equitable and think that the Armstrong Cork Company must have so considered it, as they also bought largely at this price, and discontinued, we presume, because they, with their larger facility, cut them cheaper.

Now, in view of the fact that we are to-day the only users of these soles, and that the imposing of this excessive duty would leave the Armstrong Cork Company a monopoly, we think that you will agree with us that the present duty is sufficient for the protection of an industry of the size of the Armstrong Cork Company, which has long since passed its infancy.

Yours, respectfully, GEORGE W. LEE.

JOSE TORRES, NEW YORK CITY, FILES SUPPLEMENTAL STATEMENTS RELATIVE TO CUT CORK SOLES.

NEW YORK, *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The Armstrong Cork Company has made a petition to your committee that all cork articles paying now ad valorem duties to make them pay specific duties. I am in perfect accord with the Armstrong Company, provided the new duties will be the equivalent of the duties in force now.

The cost in Spain of cork soles as presented by the Armstrong Cork Company is erroneous, as your committee will find out by the inclosed certified invoices. Notice that the soles I import are consigned goods and are sold here at exactly the same prices specified in the consular invoices, as per the sworn statement inclosed of George W. Lee, of Peabody, Mass., the only customer I sell these goods in this country.

The average weight of cork soles as imported is of 5½ pounds per 1 dozen pairs at the rate of 25 per cent ad valorem. They pay about 21 cents duty per dozen pairs. If you put the duty at 8 cents per pound, as requested by the Armstrong Cork Company, they will pay 44 cents per dozen pairs. That is more than double what they pay now. This rate of duty will be prohibitory and the Government will derive no more revenue from these goods.

These cork soles are used by poor people, who will have to stand the raise in price. The equivalent duties should be 4 cents per pound instead of 8 cents, or else no more cork soles will be imported into this country.

Yours, very truly, JOSE TORRES.

EXHIBIT A.

PEABODY, MASS., *December 2, 1908.*

MR. JOSE TORRES.

DEAR SIR: In answering your letter of November 30, 1908, this is to certify that I have been for several years and am still buying cut-cork soles from Jose Torres, importing the same from Europe, paying 88 cents for men's sizes and 82 for women's sizes, subject to 25 per cent ad valorem duty, and that any increase of duty would practically drive me from business, as the Armstrong Cork Company are reputed to control the corkwood trade, which would prevent the cutting to advantage. In this country men's sizes are sold mostly, about nine-tenths men's to one-tenth women's sizes we import.

Yours, truly, GEO. W. LEE.

NEW YORK, *December 3, 1908.*

Hon. S. W. MCCALL, M. C.,
Washington, D. C.

MY DEAR SIR: I address you this correspondence because I have faith that you will do your best to do justice to a citizen of your State. I can furnish you, if desired, with consular invoices dating back to 1900. Mr. George W. Lee can not manufacture the prime article in this country, because he is not engaged in the cork business in general, and can not compete in any way with the powerful cork trust wearing the name of Armstrong Cork Company.

I trust you will remember, when this case comes up, to call the attention of your committee to the injustice of raising the duties over the ones of the present tariff, remembering that Armstrong figures are entirely wrong, as proven by my consular invoices, filed with committee.

The Armstrong Cork Company have a factory in Spain and import their own goods. They can put prices to suit themselves and deceive your committee. Their importations of cork soles have been very small.

Yours, truly, JOSE TORRES.

THE INTERNATIONAL CORK COMPANY, BROOKLYN, N. Y., THINKS AN INCREASE RATHER THAN A DECREASE OF DUTY IS NECESSARY ON CORK PRODUCTS.

BROOKLYN, N. Y., *December 3, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We are informed that an attempt is being made to reduce the present tariff rates on corks and cork products, and we ask that you consider our side of the case before making or advocating a change which means so much to all American manufacturers of corks.

When the facts are considered, we are confident that you will undoubtedly decide that, if anything, there should be an increase in many cases. Allow us to submit the following brief review of conditions in our business relative to cork-bark squares or cubes; manufactured corks three-fourths inch or less in diameter of large end; manufactured corks larger than three-fourths inch in diameter of large end; and cork disks one-eighth inch or less in thickness.

The present duty on the above is barely sufficient to protect American manufacturers, and any decrease will make it impossible for manufacturers in this country to compete with the imported corks. However, we think no increase of duty necessary with any of the above, excepting the cork disks referred to above.

These cork disks, used in connection with a tin cap or shell, have taken the place of ordinary corks to a very large extent. The change has come about since the last revision of the tariff. It is an entirely new condition, which explains why these cork disks were never before given serious consideration.

Statistics will show that enormous quantities of these cork disks are imported—in fact, practically all that are used in this country.

Although these cork disks are large in diameter, about 1⅛ inches, they are very thin, and therefore light in weight. They rightly belong in the class with ordinary bottle corks of three-fourths inch and less in diameter. In order to protect the American manufacturers, as was originally intended, they should be listed separately and charged at 25 cents per pound.

CORK WASTE.

On account of the changed conditions forcing American manufacturers of corks to devote their energies almost exclusively to the manufacture of corks of the smaller sizes, which have a very small

value, the manufacturer looks to the sale of his cork waste almost exclusively for his profits. In manufacturing corks from 60 to 70 per cent of the cork bark is "waste," so you can readily understand the importance of this matter to a manufacturer. Cork waste is now free and can be imported to such advantage that the value of domestic waste is continually decreasing. In order to adequately protect the cork manufacturing industry in this country a sufficient duty should be placed on imported cork waste to allow manufacturers here to dispose of their waste at the same price as formerly. A charge of $5 per gross ton would be enough. As to artificial cork and products, cork paper and split cork, cork floats for nets, cork insoles, and cork for life-preservers and life buoys, we do not manufacture any of the above articles, known in the trade as "cork specialties." We can only say that on investigation with a view to manufacturing some of these cork products we find that the importation of all these articles, especially cork paper, cork insoles, and life-preserver blocks, is continually increasing and that it is practically impossible for American manufacturers to compete. We therefore advocate an increase in the tariff on all these articles.

All the above is respectfully submitted in full confidence that it will have your best attention, for which we thank you.

Yours, most respectfully,

INTERNATIONAL CORK COMPANY,
JOHN ALBERTI, *Secretary and Treasurer.*

THE STANDARD CORK COMPANY, CHICAGO, ILL., ASKS THAT THERE BE NO REDUCTION IN DUTY ON CORKS.

CHICAGO, *December 4, 1908.*

WAYS AND MEANS COMMITTEE OF THE
HOUSE OF REPRESENTATIVES,
Washington, D. C.

GENTLEMEN: Understanding there is to be a public hearing allowing persons interested in the several articles shown by Schedule N of the tariff act, 1897, and being unable to appear personally at such a hearing, we desire to enter our protest against a reduced rate of duty on corks, contained in paragraph 416.

It is our best judgment that the existing duties are not higher than necessary to protect the American manufacturer and employee against the foreign competition which we are daily meeting. Our material comes almost entirely from Spain and Portugal, where you well know the wages paid to working people are about one-third or less than paid to same class of workers in this country, which run about as follows: Cork sorters, $12.50 to $15; blockers, $11 to $13; slicers, $10.50 to $12; women, $4.50 to $8.

We trust you will see the necessity for allowing the present tariff on corks to remain as it is, for we can honestly say that if the duty be reduced we, for one, will be compelled to retire from business.

Yours, respectfully,

STANDARD CORK CO.,
A. W. RIETZ, *President.*

THE R. W. McCREADY CORK COMPANY, CHICAGO, ILL., ASKS PROTECTION FROM SPANISH AND PORTUGUESE LABOR.

CHICAGO, *December 8, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We wish to enter our protest against the reduction in duty on corks, Schedule N, paraghaph 416. If there is any change at all it should be higher and not lower.

To prove which you need not take ours, or any other manufacturer's word for it on the one hand, or the importer's on the other.

All cork, whether manufactured or unmanufactured, used in this country is imported, therefore the government statistics on the article referrred to will show whether the present rate is too high or too low.

In 1897, when the present act went into effect, the importations were, in round numbers:

Cork unmanufactured	$1,325,000
Cork manufactured	465,000

In 1907 importations were:

Cork unmanufactured	$2,360,000
Cork manufactured	1,700,000

The above figures show that unmanufactured increased only 78 per cent, while the manufactured increased 265 per cent. It also shows that in 1897 the proportions were to the whole, unmanufactured, 74 per cent; manufactured, 26 per cent; while the year 1907 shows the proportions to the whole were, unmanufactured, 58.2 per cent; manufactured, 41.8 per cent.

Now, we submit that these figures are conclusive in themselves and need no argument. They show that we need a higher and not a lower schedule. It is impossible for us to compete with the Spanish and Portuguese, who work for about one-fourth of our wages and longer hours at that.

Respectfully submitted.

THE R. W. McCREADY CORK CO.,
E. W. McCREADY.

THE NEWARK (N. J.) CORK WORKS WISHES AN INCREASE OF DUTY ON CORK WASHERS AND CORK DISKS.

NEWARK, N. J., *December 12, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR MR. CHAIRMAN: We are informed that it is the intention of the Congress, at its next session, to revise the tariff on some manufactured articles of cork, also cork chips and shavings.

As we represent a fair percentage of the industry in the United States depending upon a home market for our goods, we respectfully submit herewith for your consideration a few suggestions and recom-

mendations for the protection of the cork manufacturers of the United States.

We respectfully request you to favorably report on an increase from the present rate of 15 cents per pound to 25 cents per pound duty on cork washers and cork disks. Our reason for asking this increase of 10 cents per pound is, at the present low rate we are unable to manufacture disks and washers and meet foreign competition; consequently we lose most of the business in this line which represents thousands of dollars per year to the manufacturers of the United States. With the increased duty we will be able to successfully meet this competition.

We also recommend that cork chips and shavings be removed from the free list, and a duty of $5 per ton placed thereon. Manufacturers of corks are dependent upon disposing of this branch of their business, which represents a great portion of the cork industry, and at best this is not a lucrative one.

We trust that you will recommend this and make it dutiable as per figure asked, and we know it will be a great benefit to us all.

The present duty on manufactured corks for stopper purposes is satisfactory, and we do not recommend any change. In requesting these changes, we do so for the protection and interest of the cork manufacturers of the United States.

Trusting you will report favorably on the above recommendations and requests, we are,

Yours, very respectfully,

THE NEWARK CORK WORKS (INC.),
E. C. BROWNING.

ARMSTRONG CORK COMPANY, PITTSBURG, PA., FILES SUPPLEMENTAL BRIEF RELATIVE TO CORK INDUSTRY.

PITTSBURG, PA., *December 14, 1908.*

THE WAYS AND MEANS COMMITTEE,
Washington, D. C.

SIRS: Our attention has been called to statements made by Messrs. Francisco Llado Farrell, Joseph Torres, Ferdinand Gutmann, and the Manhattan Cork Specialty Company in regard to the cork manufacturing industry in the United States. As these statements are inaccurate and misleading we feel called upon to reply.

Mr. Farrell states that as no corkwood is produced in the United States it is not necessary to protect the manufactured product and that the present duty is prohibitive. The best answer to this claim is that from 1897 to 1907 under the present law the importation of manufactured cork bark increased 267 per cent, whereas the importation of cork bark unmanufactured—the raw material—increased only 78 per cent. Mr. Farrell asserts that the increase in importations of corks larger than three-fourths inch in diameter consists mostly of cork disks. This is true, but these cork disks are corks used to stopper bottles and each disk takes the place of one of the old-style corks. If his argument proves anything it is that the present duty is not high enough to protect the American manufacturer.

Mr. Farrell says further that owing to the present duty on manufactured corks in this country, Spain and Portugal are considering an export duty on cork bark. The fact is there is now, and has been for many years, an export duty on corkwood. The Spanish export duty is 5 pesetas per 100 kilos, which is equivalent to 40 cents per 100 pounds. In the case of the raw material used for life-preservers, insoles, etc., this duty amounts to from 20 per cent to 40 per cent ad valorem.

Mr. Farrell makes the statement that the cork industry is controlled by a combination which has arbitrarily advanced the prices of corks from 25 per cent to 50 per cent, in spite of the fact that the price of cork bark—the raw material—has not advanced for the last fifteen or twenty years. There are in the United States more than 20 manufacturers of corks entirely independent of each other, and competition in the business is so keen that the average price of corks to the consumer has not increased during the last ten years, notwithstanding the fact that there has been a material advance in the cost of labor and manufacturing supplies of all kinds. There has been an enhancement of 10 per cent to 20 per cent in the value of fine corkwood of all thicknesses during the last five years.

Mr. Torres states that this company controls 85 per cent of the corks and cork products manufactured in the United States. Mr. Farrell asserts that the home manufacturers now control 85 per cent of the corks consumed in the United States. Evidently the importers agreed upon a percentage, but did not have a clear understanding as to how it should be calculated. Both statements are incorrect. A very careful estimate shows the value of manufactured corks, including cork disks, consumed annually in the United States to be about $6,000,000. Of this amount, the statistics of the United States show that $1,704,030 were imported in 1907 and the amount of duty paid on the same, $390,714, making the entire value $2,194,744. Estimating the domestic consumption at $6,000,000, it is clearly seen that 36 per cent of this amount is represented in the imported material, making no allowance whatever for an importer's profit.

Mr. Torres states that the cost of manufacturing in Spain is higher than in the United States, with which assertion we do not agree. In our previous statement, we submitted a table of comparative wages actually paid by us in our factories in Pittsburg, Pa., and Seville, Spain, in which we show that the wages in Spain are about one-quarter of those paid in the United States. While our manufacturing in Spain has been confined largely to specialties, we have found by experience that we actually turn out as much per operative in our Seville factory as we do in Pittsburg. Properly organized, led, and drilled, the Spaniard makes a very efficient workman, and we are certain that corks can be manufactured in Spain at one-quarter of the American cost for labor and necessary factory expenses. Modern machinery has been largely introduced into Spain of late years and a large proportion of the so-called Spanish hand-cut corks are now turned out by machine.

Mr. Torres states that we are able to compete in Porto Rico, Cuba, Mexico, and the South American Republics, which statement is incorrect. We do sell some corks in Porto Rico at American prices, but elsewhere we do practically no export business in the cork line, as we have long since found it a waste of time to try to compete with the European manufacturers.

Mr. Torres lays great stress on the high ad valorem equivalents of the 25 cents per pound duty on small tapered corks of low quality, but he forgets to explain that the proportion of these actually used in this country is exceedingly small. We have checked over our sales of corks and find the percentage of this class is 6 per cent of the total. When we remember that the actual labor and other factory expense on 1,000 of these low-grade corks is as much or even a little more than it is on the same quantity of high quality corks of the same size, the specific duty does not seem unjust in this case. Comparatively few small tapers or medicine corks are used in Europe. In making bottle corks seven-eighths inch or larger in diameter the Spanish manufacturers necessarily accumulate considerable scrap or pieces too small for a full cork. This material is sold for little more than the price of waste, and the large element of cost is the labor of squaring and turning to shape.

Very few bottle corks lower in quality than fine beer corks are consumed in this country. The percentage shown by our sales of these cheap bottle corks, taking into account all sizes and lengths, is 2 per cent of the total.

Mr. Gutmann states that corks are manufactured abroad almost entirely by hand. This statement is incorrect, as the German firm which Mr. Gutmann represents in this country is well known to have its factory equipped with modern machinery.

Mr. Gutmann says that on account of the high duty on corks the American consumers have been forced to use crown stoppers. We are surprised that Mr. Gutmann would make this statement. The reason that the patent tin cap known as the crown is so generally used is partly because of its cheapness, but principally because of the ease with which it can be applied to and removed from the bottle. As the tin part of the cap costs very little, and the thin cork disk, one-ninth of an inch thick, requires only about one-tenth as much cork, the cost of the complete crown is from 25 per cent to 50 per cent of that of the old-fashioned cork, depending of course on the quality of the cork. This trade change is not a question of duties, but of the economical advantage of the new style stopper for certain uses. The crown cork requires a special bottle, and for this reason and for the well-known conservatism of the people, its introduction in Europe has been slower than in the United States. However, it is now used extensively in Europe, South America, and the Orient, and in time will certainly displace to great extent the old style cork for certain uses.

Mr. Gutmann refers to the experience of his firm in establishing a factory in this country. The house he represents is an old one in the business and should thoroughly understand all its details, but after a year's trial they found it more economical to manufacture in Germany and pay the United States duties than to pay American wages and American expenses for conducting their business in this country. He refers to the difficulty of finding suitable labor for cork making in the United States, and contrasts it with conditions in Germany. We and other domestic manufacturers have no serious trouble in getting all the operatives we need, provided we pay wages equal to those paid for similar help in other industries. Mr. Gutmann practically says that American conditions are now too difficult to manufacture suc-

cessfully. Why, then, should they be made more so by lowering the duties?

In the statements of the Manhattan Cork Specialty Company, and the American Cork Specialty Company, and of Joseph Torres, of November 28, the charge is made that our company is importing cork disks at fictitiously high prices to deceive your committee into believing that the duty should be raised. In the first place, our company is importing no disks, and, further, we have asked for no increase in duty on this article, although we have stated that the present duty does not protect the American manufacturer. In this connection we call your attention to the fact that the American Cork Specialty Company, the Diamond Cork Company, and L. Mundet & Son, of Brooklyn, are practically one concern, all being controlled by L. Mundet & Son. The Diamond Cork Company are manufacturers of corks, yet the American Cork Specialty Company, which manufactures crown corks, finds it cheaper to import their disks used in these crowns through L. Mundet & Son than to manufacture them here in their own factory, which is run under the name of the Diamond Cork Company.

In Mr. Gutmann's statement of November 28 he calls attention to the small importations of cork squares, alleging it to be due to the duty of 8 cents per pound. The real reason is that very few, probably not 2 per cent, of the corks made in this country are cut from squares, the usual method being to bore or punch the cylindrical cork direct from the strip, thus entirely obviating the making of squares. The duty of 8 cents per pound on squares is not too high, as the labor cost of making squares is at least 60 per cent that of the finished cork.

Mr. Gutmann's statement conveys the impression that tapered corks are generally made by hand in Europe, while in this country it is done by automatic machinery. Mr. Gutmann must know better than this, as the European house he represents has a modern factory equipped with up-to-date machinery for making tapered corks, straight corks, disks, cork paper, and various specialties. Mr. Gutmann tacitly admits this in other parts of his brief.

Mr. Gutmann speaks of the trained labor of Europe, peculiarly fitted for cork making, saying it is practically impossible to teach American operatives to successfully do this work. Our house has made corks and cork products on a large scale for forty years or more in this country, and we now have hundreds of employees who are as highly skilled in this art as any others in the world. It of course requires time and patience and entails considerable expense to train help for this work, but it has been done and can be done again.

Mr. Gutmann claims cork paper can not be made successfully in this country. This is also incorrect, as we have made this material on a large scale for years and are making it to-day—our product being equal in every way to the foreign article. Our company has as large capacity for producing cork paper as any concern in Europe.

Mr. Torres says we ask a specific duty of 8 cents per pound on cork soles, while he claims 4 cents is the equivalent of the present duty. As a matter of fact we recommended 5 cents per pound instead of 8 cents, and believe that if the 5-cent rate is adopted the great majority of these goods will still be imported. We ourselves make these insoles abroad, as we can do so cheaper than we can in this country. We think it is better to have the duty specific, as its collection is easier and more certain. We import more cork insoles

than any other house, which statement can readily be verified by reference to records of the United States customs service. Practically all of the cork-sole blanks used in our business are imported from our Seville factory. Our Spanish factory is located at Seville, in the midst of the great cork-wood producing district of Andalusia. Although manufacturing is carried on more extensively in Catalonia than in Andalusia, this latter province is an important center in the industry. The wages in different parts of Spain vary slightly, but only slightly, and are perhaps a shade higher in Catalonia than in Andalusia, but the Catalans themselves claim to be able to produce cheaper on account of the greater efficiency of their workmen. Our figures of labor costs are from our own pay rolls in Seville and Pittsburg.

The importers in their statements allege that our company is a trust and controls the cork industry. This charge is untrue. As already stated, there are over 20 entirely independent manufacturers in the United States, and the competition in this industry is probably as keen as in any other business in the country. We do not control prices at which manufactures of cork are sold; we have absolutely no price agreements or understandings with other manufacturers; we do not own any corkwood-producing properties or control the raw material in any way; we buy our supplies in Spain, Portugal, and the United States, in the open market, the same as other manufacturers; we own no broad patents on cork-making machinery to give us any advantage over competitors.

To sum up, we have not asked for an advance in duty, but have recommended the placing of certain articles on a specific basis, as we are firm believers in the wisdom of specific duties wherever practicable. In this industry it has been conclusively proved in past years that an ad valorem duty opens the door to fraud through undervaluation and the honest importer is forced out of business. In the working of a specific duty, there is necessarily some variation in the ad valorem equivalents, but as the average ad valorem equivalent for 1907 is 22.93 per cent, and for the first nine months of 1908 about 20.88 per cent, the duty is not high compared with most other manufactured articles.

We earnestly urge your committee to retain the present rates of duties on manufactures of cork and we state most positively that any reduction will work great hardship to the industry in the United States.

Respectfully submitted.

ARMSTRONG CORK COMPANY,
CHAS. D. ARMSTRONG, *President.*

JOSE TORRES, OF NEW YORK CITY, CLAIMS THAT THE FIGURES RELATIVE TO LABOR COST FURNISHED BY THE ARMSTRONG COMPANY ARE MISLEADING.

NEW YORK, *December 15, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: The brief submitted by the Armstrong Cork Company, which appears in your records, dated November 28, 1908, is full of errors which the writer wants to correct. The wages paid to

the cork workers, which the Armstrong Cork Company claims are paid in the United States and Spain, are entirely unreliable, and I herewith give you a table, and your committee can ascertain whether I or the Armstrong Cork Company is correct:

Weekly wages paid cork workers.

	United States.	Spain.
Men:		
Cork-bark sorters	$12.00 to $15.00	$5.50 to $6.00
Slicers	9.00 to 11.00	2.50 to 4.00
Blockers	10.00 to 12.00	4.00 and 5.00
Boys	5.00 to 6.00	(a)
Women:		
Machine operators	4.00 to 5.00	2.50 to 3.00
Sorters	6.00 to 7.00	2.40
Packers	5.00 to 6.00	4.50 to 5.00

a Hardly any employed.

The Armstrong Cork Company gave your committee the wages paid in Seville, Spain, where they have their own factory. To commence with, Seville is not a manufacturing center, and your committee can easily find out that 95 per cent of the corks imported in this country come from Cataluna, where the cork industry is situated. The writer can appear to your committee and swear to the above facts. He can also give you sworn affidavits from any amount of cork factories in Spain.

The writer is the largest importer of corks from Spain outside of the Crown Cork and Seal Company, of Baltimore. He operates one factory in Palafrugell, Spain, and one in Brooklyn, N. Y.; therefore he ought to know what he is talking about. The cork industry in this country is twice as much protected as it ought to be, and if the manufacturers of corks do not make money it is on account of the great competition they make each other, and it is especially due to the cork trust trying to put their competitors out of the market.

If your committee, to satisfy the Armstrong Cork Company, change the schedule of corks and specialties in any way, shape, or manner, the Government will collect no revenue hereafter from corks or articles made out of cork wood, and the consumer will be at the mercy of the cork trust.

Yours, very truly, JOSE TORRES.

THE J. H. PADDOCK COMPANY, BROOKLYN, N. Y., URGES MAINTENANCE OF PRESENT DUTIES ON CORKS.

BROOKLYN, N. Y., *December 17, 1908.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: As manufacturers of corks, we respectfully ask your consideration of the following facts, in connection with the contemplated revision of the present tariff: In 1897 the value of the cork-wood imported into this country was $1,323,000, and the value of the

manufactured corks $463,000. In 1907 the value of the corkwood imported was $2,358,000, and of the corks $1,704,000. This shows that under the tariff now in effect the importation of raw material has increased about 75 per cent, while the importation of manufactured corks has increased 225 per cent, and certainly refutes the statements of some of the cork importers made at the hearing at the evening session of November 28 last, that the tariff on manufactured corks was too high. In 1897 the average wages paid employees in this business was: Men, $10 per week; machine girls, $3.50 per week; sorters, $4.50 per week.

The average wages now paid are: Men, $14 per week; machine girls, $5 per week; sorters, $7 per week.

If the tariff is lowered, we will be compelled to decrease the wages of our employees proportionately. We also beg to state that the prices of corks manufactured in this country are not controlled by any trust, as stated by some of the cork importers at the hearing given them. We are one of at least 20 manufacturers, all of whom are absolutely independent, and among whom competition is very keen.

In view of these facts, we ask that the present tariff be at least maintained, if not increased.

Very respectfully, yours, THE J. H. PADDOCK CO.,
By J. H. PADDOCK.

HERBERT R. LANE & CO., BOSTON, ASK FOR SPECIFIC CLASSIFICATION FOR SHOE CORK AT FIFTEEN PER CENT.

BOSTON, MASS., *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As importers and distributers to shoe manufacturers and jobbers of shoe findings of two articles manufactured for the shoe trade by our English correspondents, the Shepley Mills Linoleum Company, we present same to your honorable board for classification.

SHOE CORK.

An article manufactured from ground cork mixed with linseed oil and applied to a backing of cotton muslin. Represented by sample herewith submitted and marked "Sample A."

We first brought this article into this country in October, 1907, under Schedule N, paragraph 448, of the tariff act of July 24, 1897, as a manufacture of cork, or of which cork was the component material of chief value, at 25 per cent ad valorem.

The Government has since changed the classification of this article by placing same under Schedule I, paragraph 322, as a manufacture of cotton not specially provided for, at 45 per cent ad valorem.

Our protest against this decision is still pending and the National Board of General Appraisers has not as yet rendered a verdict.

Should this latter-named duty prevail it would become at once prohibitive and the article could not be brought in.

The article, as first entered and brought in by ourselves under Schedule N, paragraph 448, permitted our selling same in the American market at 30 cents net per square yard, while a leading domestic manufacturer of a competitive fabric, viz, the Trenton Oilcloth and Linoleum Company, Trenton, N. J., freely offers a competitive article of the same gauge and general appearance at 27.36 cents net. This makes our English goods 10 per cent higher in price than theirs, at least, and on their lowest quotations, which at present we are unable to determine, a still greater difference.

Our market on this basis could only be maintained through superiority of the fabric for the shoe manufacturer's usage. Even under these conditions we fear that our market is gone, as the difference in price between the English and American is too great.

We would therefore respectfully submit for your consideration that a duty of 15 per centum ad valorem be placed upon the article known as "shoe cork."

We take exception to the suggestion contained in the brief of the Armstrong Cork Company, dated at Pittsburg on November 23, 1908, wherein they advise that 5 cents per pound be placed upon "cork bark, wholly or partially manufactured for life preservers, for cork insoles, etc.," as a duty of this description upon our article, weighing about 1¼ pounds to the square yard, would be absolutely prohibitive and would give the American manufacturer unwarranted protection.

Our other articles for your honorable consideration, and attached hereto marked, "Sample B," is an article composed of ground cork and linseed oil, forming a composition applied to a cotton muslin backing as in our other article marked "shoe cork." The only difference between this latter named and shoe cork is that the grinding of the cork in Sample B has progressed to a finer stage. This is an article to be used by manufacturers of box toes for shoes. Heretofore it has been impossible to bring this article into this country as its classification has been as a manufacture of cotton not especially provided for, viz, Schedule I, paragraph 322.

We realize full well that our tariff is primarily for the protection of the American manufacturer, but we realize also that the revenue derived therefrom is of inestimable benefit to the Government and that a tariff which prohibits importation protects the American manufacturer to the exclusion of government resources.

We therefore present these two articles in question for your careful consideration, feeling sure that their merits, properly considered, will show to your honorable selves that a 15 per cent ad valorem duty on both these articles insures the American manufacturer sufficient protection and will not prohibit the entire importation of such articles but will permit of their selling to such of the American trade as may favorably consider them.

Respectfully submitted.

HERBERT R. LANE & Co.,
HERBERT R. LANE,
President and Treasurer.

CORK WASTE.

[Paragraph 536.]

NEW YORK, *December 24, 1908.*

Hon. JOHN DALZELL, M. C., *Washington, D. C.*

MY DEAR SIR: I understand that some of the cork manufacturers have petitioned your committee asking that a duty be placed upon cork waste.

It seems to me this would be a very great injustice to the manufacturers of linoleum, and I can see no necessity for the same, as the cork manufacturers are now protected by a duty on their manufactured corks and have their cork wood admitted free, and the waste cork being raw material for the linoleum manufacturers.

The cork manufacturers in the United States already do not make enough waste to supply our manufacturers, and we are therefore compelled to import about 50 per cent of the cork waste that we use.

Some time early in January I would like very much to come to Washington, if you can set the time, and talk with you on the question of linoleum and the raw materials entering into the manufacture thereof.

Yours, truly, H. A. POTTER.

IVORY ARTICLES.

[Paragraphs 417 and 450.]

STATEMENT SUBMITTED BY OTTO GERDAU, OF NEW YORK, RELATIVE TO IVORY PIANO KEYS AND BILLIARD BALLS.

NEW YORK, *November 18, 1908.*

To the honorable members of the Committee on Ways and Means, Washington, D. C.

GENTLEMEN: I consider it almost useless to appeal on ivory piano and organ keys and ivory billiard and pool balls, because for thirty-five years my appeals have had no effect whatever, but as the excessive protection has finally had the inevitable result that not one dollar's worth of these articles is imported, my words may now perhaps find more credence or attention. I therefore beg your permission to say on ivory piano and organ keys that this article is but a partially manufactured article, sawn by automatic machinery and bleached by the sun, but because they have never been specially enumerated they are subject to the same duty of 35 per cent as perfectly hand-finished, artistically carved ivory, and in consequence nothing at all is imported of the $2,000,000 worth used by the piano and organ manufacturers of this country. The difference between the American and European labor on ivory piano and organ keys is estimated to be not over 2 per cent and, in fact, an American manufacturer of them, Mr. George Ropes, was frank enough to admit (see Tariff Hearings of Fifty-third Congress, p. 1190) that the entire amount paid for labor in the United States upon a set of ivory keys is not over 10 per cent.

They have been assessed since the war at 50 per cent and they have remained so ever since. The turning of a ball from a block is done by lathe, and I would like to have the business to turn them at an entire cost of 5 per cent. I stand for protection, but not for such rank prohibition which will enrich the few at the expense of the many and yield no revenue to the Government.

I therefore advocate a reduction of the duty to 5 per cent on ivory piano and organ keys and ivory billiard and pool balls and free entry of ivory and vegetable ivory, unmanufactured.

Yours, respectfully, OTTO GERDAU.

TESTIMONY OF C. W. SIEBERT, 558 WEST ONE HUNDRED AND EIGHTY-FOURTH STREET, NEW YORK CITY, RELATIVE TO BILLIARD BALLS AND PIANO IVORY.

TUESDAY, *December 15, 1908.*

Mr. SIEBERT. Mr. Chairman and gentlemen of the committee, I will take but a few moments of your time on this subject of ivory billiard balls and piano and organ ivory.

Ivory billiard balls are turned from blocks of crude ivory like this sample, and any turner in the business would be very glad to do the turning at the rate of 5 per cent of its value. The true cost of it is nearer 3—between 2 and 3. The duty on ivory balls since the civil war has been 50 per cent. For what reasons I do not know, and I should be very glad if any member of the committee could tell me why it is so. I advocate the reduction of the duty on ivory balls from 50 to 5 per cent under those conditions.

Piano ivory, of which I have here sample pieces, is in exactly the same category. It is made by machinery. It requires little or no technical knowledge, and it has a duty on it of 35 per cent. In the hearings of the Fifty-third Congress, I believe it was——

Mr. HILL. Under what paragraph does piano ivory come?

Mr. SIEBERT. I can not give you the number, sir. I had to come here very suddenly and I did not bring my data with me. You have the testimony of Mr. A. G. Ropes, I believe of Boston, given at that time. He was then one of the largest manufacturers of piano ivory in the country. He testified before the committee at that time that he could produce all the piano ivory he required at not over and less than 10 per cent. The same question comes up upon this subject, why there should be a 35 per cent duty on an article that a manufacturer himself claims he can produce for 10 per cent or less.

It is for that reason I advocate and ask that organ and piano ivory be reduced to 10 per cent. If any competition to American manufacturers is to be permitted at all in either of those articles, there can be no other method of regulating it.

Mr. HILL. The ivory itself is free?

Mr. SIEBERT. The raw material is free in all countries; yes, sir. It comes from Africa and Asia, principally the east and west coasts of Africa, and is free all over.

Mr. RANDELL. Your raw material, this ivory, is not produced in this country at all, is it?

Mr. SIEBERT. No, sir; we have no elephants here.

The CHAIRMAN. I understand you to say you know it to be a fact that these balls can be turned for 5 per cent of the value of the ivory contained in them?

Mr. SIEBERT. Less; yes, sir.

The CHAIRMAN. Were you ever in the business?

Mr. SIEBERT. Twenty-five years.

The CHAIRMAN. You have been twenty-five years in the business?

Mr. SIEBERT. Not for myself, but I have been in the business twenty-five years.

The CHAIRMAN. They are turned by a turning lathe, I suppose.

Mr. SIEBERT. Yes, sir; an ordinary turning lathe. That 5 per cent includes not only the turning, Mr. Chairman, but it includes the dyeing, finishing, and polishing.

The CHAIRMAN. How much is the ivory worth per ball?

Mr. SIEBERT. Do you mean the raw ivory in its block shape, or do you mean the finished ball?

The CHAIRMAN. I mean the raw ivory, like what you have there.

Mr. SIEBERT. Ten dollars.

Mr. UNDERWOOD. Ten dollars for what?

Mr. SIEBERT. The block.

Mr. UNDERWOOD. That block you have there?

Mr. SIEBERT. Yes, sir; that turns out one 2⅜-inch billiard ball.

The CHAIRMAN. And it only costs 50 cents to turn it?

Mr. SIEBERT. Less than that. We have made inquiries and ascertained from one turner that it is not over 30 cents, and through inquiries within the last three or four days by myself a quotation was given me of 47 cents, but that was in small quantities, with reductions for larger quantities.

The CHAIRMAN. How much do those balls sell for at the factory?

Mr. SIEBERT. A finished ball of that size sells to-day at $15.

The CHAIRMAN. The other ivory products, the piano keys, you say, have a duty of 35 per cent?

Mr. SIEBERT. Yes, sir.

The CHAIRMAN. What do you say they can be made for?

Mr. SIEBERT. That, Mr. Chairman, is a question that I can not answer accurately, and I would rather not answer it. The information that I have about that is the testimony of Mr. Ropes, given before the Committee on Ways and Means in the Fifty-third Congress. In the reports of the hearing I believe you will find Mr. Ropes's testimony. At the time he was one of the largest piano-ivory manufacturers of the United States. He recently died.

The CHAIRMAN. That was when the Wilson bill was in process of formation?

Mr. SIEBERT. Probably. As I told you, I had very short notice to get here, and I had to leave everything behind.

The CHAIRMAN. We had considerable evidence on this subject when the McKinley bill was before Congress.

Mr. SIEBERT. I do not know whether there was very much evidence on it, Mr. Chairman.

The CHAIRMAN. I think that limitation about free ivory, describing it, so to speak, as with the bark on it, in its natural state, was put into that bill.

Mr. SIEBERT. Yes, sir; that was to let in the block free; but the fact remains that this enormous duty on balls simply has centralized the whole thing here. There has been no competition in balls.

The CHAIRMAN. There does not seem to be any importation of ivory balls at all.

Mr. SIEBERT. No; they are thoroughly eradicated. The firm I was with, with whom I learned my business, have practically been out of the business altogether ever since.

The CHAIRMAN. But there is quite an importation of other manufactures of ivory. That is, I do not know how much ivory is in use, but there is $78,000 a year of the other manufactures of ivory and finished ivory.

Mr. SIEBERT. They must be altogether finished articles, but absolutely nothing can come in in ball shape.

The CHAIRMAN. I suppose these piano keys are sawed out first and then there is some polishing or smoothing process.

Mr. SIEBERT. They are simply sawed out into two shapes, and then as they are put upon the piano the mechanic joins them and puts the sharps in between, you see.

The CHAIRMAN. You can not tell what it costs to turn them?

Mr. SIEBERT. Not with any degree of accuracy; no, sir; and I would rather not state since I can not answer the question accurately.

Mr. FORDNEY. Why would you recommend the reduction of the duty?

Mr. SIEBERT. Simply to not centralize the interest entirely in this country. Competition is the life of trade. I believe in a fair tariff to protect American labor, and all that sort of thing, but it is very simple to see that in this case the duties are absolutely abnormal.

Mr. FORDNEY. There would be no one benefited by a reduction of that duty except the purchaser of billiard balls, would there?

Mr. SIEBERT. Probably not, because the labor employed in the manufacture of most of these articles is necessarily very small.

Mr. FORDNEY. However little it is, it would be better to have it here than to have it abroad, would it not?

Mr. SIEBERT. Possibly, as far as the labor is concerned; yes.

Mr. FORDNEY. From the revenue standpoint, then?

Mr. SIEBERT. From the revenue standpoint, no. Certainly not, because I have just testified that there has not been a dollar's worth of this material in finished shape imported here for years and years, simply because we can not compete under that heavy duty.

The CHAIRMAN. There certainly has been no importation for the last twelve years.

Mr. SIEBERT. If a reasonable duty is established, to enable us to compete with the American manufacturers, instead of an excessive duty, that would bring the Government revenue. That is certain.

Mr. FORDNEY. But there has been considerable ivory imported in one way and another?

Mr. SIEBERT. They have been articles of decoration, etc.

Mr. FORDNEY. What is your business?

Mr. SIEBERT. I am with a concern that has been in this business for twenty-six years, and they were forced to give it up. My object of coming here was that if this duty could be put upon a proper basis I should immediately go into business.

Mr. FORDNEY. If the duty were reduced from 50 per cent to 5 per cent, do you think the revenues of the Government would be increased?

Mr. SIEBERT. As it is to-day, sir, it gets absolutely nothing. What does the revenue come from?

Mr. FORDNEY. Not particularly the billiard balls; but there is some duty collected from other manufactured ivory, is there not?

Mr. SIEBERT. As I told you, that is probably on some finished articles of decoration, articles of virtu, curiosities, etc., but absolutely nothing from these trade articles, absolutely not a dollar's worth.

The CHAIRMAN. May I ask him a question right there?

Mr. FORDNEY. Certainly.

The CHAIRMAN. This paragraph 417 includes: "Dice, draughts, chessmen, chess balls, and billiard, pool, and bagatelle balls, of ivory, bone, or other material." Would you have the duty lowered on all those?

Mr. SIEBERT. No; I merely speak of the finished balls. It would mean another paragraph, of course.

The CHAIRMAN. You mentioned the billiard ball.

Mr. SIEBERT. Well, one of the grounds is because it requires absolutely no skilled labor. It is not like a carved chessman or any article of virtu. That is a different class altogether.

Mr. FORDNEY. If there are no billiard balls imported, certainly what billiard balls are used are made in the United States, are they not?

Mr. SIEBERT. Yes, sir.

Mr. FORDNEY. Who would be benefited, then, by the removal of that duty?

Mr. SIEBERT. The purchaser of the billiard balls. It stands to reason that the more competition, the better the chance of the purchaser buying at more reasonable prices than if the thing is centralized in the hands of two or three concerns. Besides that, it would tend to bring revenue to the Government, while as it stands the Government gets absolutely nothing out of it.

Mr. FORDNEY. Is there any duty on the ivory imported as you have it there?

Mr. SIEBERT. On the block? No, sir. On the piano keys there is a duty of 35 per cent.

Mr. HILL. I do not yet quite understand what business you are in.

Mr. SIEBERT. I am with a firm that formerly was very large in the ivory business.

Mr. HILL. In the making of billiard balls and piano ivory?

Mr. SIEBERT. Billiard balls, and particularly piano ivory.

Mr. HILL. They are not now?

Mr. SIEBERT. They are utterly unable to import one cent's worth with the 35 per cent duty on piano ivory.

Mr. HILL. What are they doing now?

Mr. SIEBERT. They have quit that branch.

Mr. HILL. You said if the duty was reduced you would go into business. What kind of business?

Mr. SIEBERT. Into the importation of the piano ivory and the finished balls.

Mr. HILL. For use in piano manufacture and also for selling billiard balls?

Mr. SIEBERT. Yes, sir.

Mr. HILL. In what form does the ivory come in; in the tusk, or sawed up in that way? Is it brought into the country in that shape?

Mr. SIEBERT. Oh, no; it is prohibitive now. The only way it could come in would be as tusks.

Mr. HILL. It comes in free now?

Mr. SIEBERT. The tusk does; yes, sir.

Mr. HILL. Your idea is to reduce the duty so that you can import this in the finished form?

Mr. SIEBERT. Yes, sir.

Mr. HILL. And to be used in the further manufacturing of pianos?

Mr. SIEBERT. Yes, sir.

Mr. HILL. You are not in the piano business now?

Mr. SIEBERT. No, sir.

Mr. HILL. Your idea is, so far as the billiard-ball business is concerned, to import the finished ball rather than the tusk and have the labor performed here?

Mr. SIEBERT. Yes, sir.

Mr. HILL. And the work carried on here?

Mr. SIEBERT. Yes, sir; to import probably not tusks so much as the balls.

Mr. HILL. Your purpose, then, is not to go into the manufacture of these things at all. It is to go into the manufacture which would utilize these things, and import your raw material practically free or at a very much lower duty?

Mr. SIEBERT. No, sir; that is not the raw material——

Mr. HILL. It would be your raw material in the manufacture of the piano, of course?

Mr. SIEBERT. Yes; taking it in that sense, of course.

Mr. HILL. That is what you want?

Mr. SIEBERT. Yes, sir.

Mr. HILL. To get the raw material for the manufacture of the piano as an encouragement to you to go into piano manufacture?

Mr. SIEBERT. No, sir; so as to permit us to import piano ivory to sell to the piano manufacturers.

Mr. HILL. Oh, you simply want to deal in the products?

Mr. SIEBERT. Exactly.

Mr. HILL. I see. You simply want to put yourself on a more favorable basis as an importer.

The CHAIRMAN. Are many of these piano keys made in this country now?

Mr. SIEBERT. Yes, sir.

Mr. HILL. Yes; a great many in Connecticut.

The CHAIRMAN. Most of them are made in this country?

Mr. SIEBERT. At the present time, all.

Mr. HILL. How much cheaper would a piano sell for if that article was imported free?

Mr. SIEBERT. Not very much cheaper, I am afraid.

Mr. RANDELL. In reference to the raising of revenue, you say we get nothing from that now?

Mr. SIEBERT. At the present time; no.

Mr. RANDELL. Suppose the tariff was levied on the ivory, the raw material?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. And then on the finished article, enough to make the difference, whatever difference the committee might think would be proper, in reference to the labor cost, if they considered that. Why would not that bring in revenue and at the same time make it possible for you to do business here or to import, either?

Mr. SIEBERT. Yes; that might be true, but it would be against the usual principles of all business on an article that is not raised here.

Mr. RANDELL. How would it be against any principle? If we raise the revenue on the raw material and that gave a differential on the finished product, that would permit the manufacture of it here and at the same time would permit a reasonable competition from abroad. Why would that violate the principle?

Mr. SIEBERT. Well, I can not answer that.

Mr. RANDELL. The result of it would be if the tariff was placed on the tusks, on the raw material, that would simply raise the revenue for the Government and would be putting a tax on this class of goods, would it not?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. It would be taxing something in the nature of a luxury, a billiard ball?

Mr. SIEBERT. Yes, sir. Is there anything more, gentlemen?

The CHAIRMAN. That is all.

Mr. SIEBERT. I am much obliged to you. I hope I will have better success with it this time than I had the last time. I am a little afraid that our Connecticut friends take too good care of their constituents.

Mr. HILL. Your purpose, then, is to put yourself in a better position as an importer of the finished product and not as establishing a new industry?

Mr. SIEBERT. No; it is no industry at all.

Mr. HILL. You do not propose to manufacture it?

Mr. SIEBERT. No, sir.

Mr. HILL. You propose, then, to transfer the industry from this country elsewhere in order that you may handle more goods as an importer?

Mr. SIEBERT. And pay the United States revenue.

The CHAIRMAN. I guess we all understand it. Is there any other gentleman here who desires to be heard now?

Mr. RANDELL. I want to ask this gentleman another question. About what number of people, if you know, are engaged in the manufacture of these billiard balls, pool balls, etc.?

Mr. SIEBERT. Not many, sir. It is not a large business.

Mr. RANDELL. Where are they located?

Mr. SIEBERT. Mainly in New York, I should judge.

Mr. RANDELL. Brother Hill says he has some in Connecticut.

Mr. SIEBERT. That is the piano ivory.

Mr. RANDELL. And the billiard balls are mostly manufactured in New York?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. The way it is now, the Government gets no revenue, but these articles have to be manufactured there on account of the tariff excluding outside manufactures: and the country gets no revenue, but must pay these people who are engaged in the manufacture here?

Mr. SIEBERT. Yes, sir.

Mr. RANDELL. And the way I stated it would bring in the revenue and permit the competition both, would it not?

Mr. SIEBERT. I should judge so; yes, sir.

Mr. RANDELL. If we put the tax on the ivory, and then enough differential on the finished product to bring the revenue?

Mr. SIEBERT. Yes, sir.

C. W. SIEBERT, NEW YORK CITY, SUBMITS SUPPLEMENTAL BRIEF RELATIVE TO MANUFACTURES OF IVORY.

058 WEST ONE HUNDRED AND EIGHTY-FOURTH STREET,
New York, December 15, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I wish to submit to you the following brief on ivory billiard balls and ivory piano and organ keys:

The billiard balls used in this country are turned from blocks like my sample and ivory turners in this country will gladly finish such balls ready for use at a cost of not exceeding 5 per cent, but ever since the civil war the duty on them has remained 50 per cent, and I feel sure that no gentleman of your honorable committee can give a reason for it except neglect. I ask therefore for a reduction of the duty from 50 to 5 per cent on ivory billiard balls if it is not your intention to continue to stop their importation altogether. Ten per cent would prohibit them as effectually as the present 50 per cent.

It is the same with ivory piano and organ keys like my sample. They are cut by machinery and an American manufacturer testified before the Ways and Means Committee of the Fifty-third Congress, page 1190, that their entire cost of manufacture does not exceed 10 per cent. Yet they have been kept dutiable at 35 per cent and nothing whatever is imported of it. With such testimony of an American manufacturer before you and the fact that at 35 per cent nothing whatever is imported, it is plain that they ought to be reduced to at least 10 per cent if some outside competition is to be permitted at all, but it is doubtful whether at 10 per cent any can be imported.

Yours, respectfully,

C. W. SIEBERT.

OTTO GERDAU, NEW YORK CITY, FILES SUPPLEMENTAL STATEMENT RELATIVE TO LABOR COST IN MAKING AND FINISHING IVORY BILLIARD BALLS.

NEW YORK, *December 19, 1908.*

Hon. SERENO E. PAYNE,
Chairman of the Committee on Ways and Means,
Washington, D. C.

DEAR SIR: Referring to my letter addressed to you under date of November 18, it occurred to me that you perhaps would like some proof to support my assurance that the whole labor in this country to finish ivory billiard balls does not cost above 5 per cent.

I therefore made an inquiry of the two best ivory turners in this city at what price they would turn and finish billiard balls for me, and you will see from their two inclosed answers that one asks 25 cents for turning the balls and 19 cents for finishing them, which makes it 44 cents per ball; while the other asks a straight price of 35 cents per ball for the whole business, and as a 2⅜-inch block of ivory, which is the size used for billiard balls, averages $10 in cost, you will note that the percentage is in both cases less than 5 per cent. It has always been represented to me that the cost of turning and finishing billiard balls is 30 cents per piece, and the difference between this rate and the quoted prices of the turners is no doubt their profit; but as even these latter prices do not exceed 5 per cent, I think it must be plain to you that it would be without sense or reason to leave a duty of 50 per cent on ivory billiard balls, but if you reduce the duty only 25 or 30 per cent, you may as well leave it 50 per cent, because when an article costs here only 3 per cent to manufacture, you can not make the duty more than 5 per cent and expect any importations.

I trust that you will include this proof of my former statement in your record, and I am,

Yours, respectfully, OTTO GERDAU.

EXHIBIT A.

NEW YORK, *December 15, 1908.*

THE OTTO GERDAU COMPANY,
New York.

GENTLEMEN: We herewith quote you price to rough ivory balls and finish them for 35 cents each.

In case you should favor us with the work and the ivory delivered to us, we would request you to take the responsibility of having same insured.

Trusting to hear favorably from you, we are,

Yours, truly,

THE A. JOSEPH KAPP SONS' IVORY CO.

EXHIBIT B.

NEW YORK, *December 14, 1908.*

DEAR MR. GERDAU: We have never roughed ivory balls for money. We charge nothing for the work, but keep the rings in payment; but if we make a price it must be 25 cents, and then we return the rings. The roughing of balls from blocks is a difficult operation, and unless carefully done you would lose much in the deterioration of the ball, and if sufficient time and judgment is used it pays better than to hurry the work in order to do it cheaply. We prefer to have a man do 25 balls a day carefully than to have 50 or more done carelessly.

To finish balls we will charge 75 cents per set of four or 25 cents each. Of course it depends somewhat on quantity; if you can have

enough done at one time to give a man a few days' work it may be cheaper. At any rate, our prices may be higher than some competitors, but our work is also superior, just as your blocks are superior to most others.

Yours, etc., F. R. KALDENBERG.

GEORGE L. CHENEY, DEEP RIVER, CONN., FOR VARIOUS MAKERS OF PIANO IVORY, PROTESTS AGAINST REDUCTION OF DUTY ON MANUFACTURES OF IVORY.

DEEP RIVER, CONN., *February 2, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: On behalf of Arnold, Cheney & Co., of New York, importers of ivory tusks; The Comstock, Cheney & Co., of Ivoryton, Conn., manufacturers of piano ivory and piano keyboards, and Pratt, Read & Co., of Deep River, Conn., ivory cutters and piano-key makers, I submit their protest against a reduction in the duty imposed by the Dingley tariff on manufactures of ivory.

The particular manufacture of ivory in which we are interested is piano ivory.

By paragraph 450 of the Dingley tariff a duty of 35 percentum ad valorem is imposed on manufactures of ivory, and by paragraph 584 ivory tusks in their natural state, and cut vertically across the grain only, with the bark left intact, are admitted free.

Manufactures of ivory were subject to this duty of 35 per cent under the tariff of 1883.

Upon the application of the German representatives of foreign ivory cutters this duty was reduced by the Mills bill to 30 per cent.

The Wilson bill proposed to fix the duty at the old rate, 35 per cent; but the McKinley tariff, after full hearings on the subject, fixed the duty at 40 per cent.

Under the Mills tariff foreign-manufactured ivory was freely imported and sold, and the American factories suffered severely.

The Germans have now again asked your committee to reduce the duty. Otto Gerdau, for many years the agent in this country of the largest European ivory factory, Heinr. Ad Meyer, of Hamburg, has written you a letter asking that the duty be reduced to 5 per cent; and C. W. Siebert, whom I have been unable to identify except as an employee of Mr. Gerdau, appeared before you December 15 and made a similar request.

Mr. Siebert concealed his business connection in his discussion before your committee and gave only his residence address, but stated that he wished the duty reduced "so as to permit us to import piano ivory to sell to the piano manufacturers," stating, however, that "if piano ivory were imported free he was afraid the piano would not sell very much cheaper." His sole interest is that of a representative of a foreign factory seeking a market in this country at the expense of the American factories, and is identical with the interest of Mr. Gerdau, who stated before Mr. McKinley's committee that he did not cut the ivory here because his factory happened to be on the other side, and that it was really a question between the factories here and the factories there, and that was all.

Both these Germans quoted Mr. George Ropes as their only authority on the comparative cost of piano ivory in this country. Mr. Ropes was in fact not a manufacturer, but an East India merchant and importer, who ran a little spite factory for a while on the side. He did not make a success of it and it was shortly sold out. He had no practical knowledge or experience as an ivory manufacturer, and his only policy as such was to injure the ivory cutters who did not buy the tusk ivory that he imported.

The companies for whom I now appeal to you have imported ivory and manufactured ivory goods for several generations and are the principal support of several flourishing villages.

The continuance of the business is dependent on the tariff, and the duty fixed at 30 per cent by the Mills bill was found in practice to permit of large importations by the Germans at prices with which the American factories could not compete. This is not a theory, but a condition, which we had to confront once, and which we can not afford to confront again.

There are a number of reasons why the American manufacturers of piano ivory can not compete with the German ivory cutters when the duty is only 30 per cent.

In the first place, only a part of the duty fixed is actually collected. In an article like manufactured ivory there are so many ways of undervaluations that the Germans have been able in the past to avoid payment of a considerable part of the duty required by the statute. Persistent and expensive efforts on our part to prevent this have always failed.

In the second place, no such profitable utilization of the waste is possible in this country as abroad. More than half the tusk goes to waste in cutting up for piano ivory. Various little outlets exist abroad for this waste, but not here, and we are obliged to export in order to sell it.

In the third place, the German ivory cutters are close to the source of supply, which is now the quarterly sales at Antwerp. The American ivory cutter has to pay the freight from Antwerp to Connecticut, or Massachusetts, or New York, on his ivory, and then back to Germany on the waste, with insurance, interest, port charges, and all those little things which eat up the profits. Nearness to the source of supply and nearness to the market for products from the waste gives the German a serious advantage.

In the fourth place, and this is the most important of all, the great difference in wages paid labor and the great difference in the scale of living between German and American manufacturing communities make it impossible to sell the products of our factories in competition with the products of their factories without bringing our labor down to a scale of living which the American refuses to accept. We pay ivory cutters $2.50 a day; in Germany they get from 40 to 50 cents.

With these facts, the problem works out something as follows:

The ivory necessary to produce a set of piano keys costs in Germany, let us say, $3.85; but in this country, because we are so far away and because we can not utilize our waste, let us say, $4.50. The amount labor receives on this set of ivory in taking it from the tusk and transferring it to the piano maker ready to be put upon his

piano keys is in Germany, say, 30 cents, and in this country $1. The set of ivory which has cost here $5.50 is to be sold, let us say, at $6.50; and the set of ivory which has cost in Germany $4.15 is to be exported for sale here. The German puts this set of ivory with a lot of other sets and some waste ivory in a barrel, and ships it as "ivory waste," all mixed together, at $1 per pound, and we hear of it in the appraiser's stores. If we succeed in having the sets of ivory picked out for valuation as piano ivory, the German contends that it should be assessed on $4.15. If the duty be 35 per cent, this will make his ivory cost landed here just about the same as our ivory costs us, so that he can just about import it. If it is taxed at a higher rate, and honestly valued and correctly appraised, he can not import it. If it is taxed at a lower rate, even though it be honestly valued and correctly appraised, we can not run our factories in competition with it. In no event, and we have vigorously tried, can we export it; and at the present duty, even our home market is dependent on the superiority of our product.

In this connection it should be kept in mind that what the Germans seek to accomplish through lowering the duty on manufactures of ivory is not to lower the cost to the consumer who buys the piano, but simply the transfer of the manufacturing business from the American factories to the German factories, and the resultant benefit to themselves as importing agents. This is frankly set forth in their own evidence before your committee, above referred to.

There are five or six ivory-cutting factories, located in Connecticut, New York, and Massachusetts, between which the keenest competition prevails.

The raw material, which can not be produced in this country, has always been selected as a proper subject for the free list.

The manufactured article, as a luxury, has always been selected as a proper subject for taxation.

The old free-list reading admitted as free "ivory unmanufactured," but under this reading the German imported partly manufactured ivory as free, and the reading was therefore changed to "ivory not sawed, cut, or otherwise manufactured." This, however, did not stop the disputes at the custom-house; and the wording was finally changed to "ivory tusks in their natural state, or cut vertically across the grain only, with the bark left intact." There are some disputes under the present reading, but business had adapted itself to it, and on the whole it should not be changed.

If the first effect of a reduction in the duty were to reduce the price, this effect could be but temporary on account of the limitation of the supply. Any increase in the demand consequent on the reduced prices would hasten the extinction of the elephants; and the progress of the extinction would speedily be heralded by a rise in the cost of the raw material. A reduction in the duty would therefore be of no ultimate benefit to anyone in this country, but would in the meantime sacrifice the American industry for the benefit of the German industry.

On Tuesday, December 15, 1908, Mr. Randell suggested that a tariff be levied on the raw material for revenue purposes, and then on the finished article for protective purposes. In this line I would suggest that if any part of the raw material be taxed it should be that part which is sawed crosswise only, and not lengthwise, leaving

on the free list "ivory not sawed, cut, or otherwise manufactured," and putting a duty of, say, 10 per cent on "ivory sawed or cut vertically across the grain only, with the bark left intact;" and that the duty imposed by section No. 450 of the Dingley tariff on manufactures of ivory—35 per cent—be not altered, or, if it be altered, that it should be increased to the 40 per cent fixed by the McKinley Act.

Respectfully submitted.

GEO. L. CHENEY, for
ARNOLD, CHENEY & Co.
COMSTOCK, CHENEY & Co.
PRATT, READ & Co.

DOLLS AND TOYS.

[Paragraph 418.]

PETER ZUCKER, NEW YORK CITY, FOR IMPORTERS AND MANUFACTURERS OF DOLLS AND TOYS, SUGGESTS NEW CLASSIFICATION AND SCHEDULE OF RATES.

NEW YORK CITY, *January 19, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

SIR: In behalf of the importers of dolls and toys of the United States and in behalf of the domestic manufacturers of the same articles, I beg to submit the following: I wish to say at the outset that in representing these two associations I represent practically all the importers and the domestic manufacturers—I may say 95 per cent, the 5 per cent not represented not objecting, but simply not having been heard from—so that the requests herein made represent the unanimous request of all the importers and domestic manufacturers of said articles.

The paragraph that affects this industry is paragraph 418, which now reads as follows:

Dolls, doll heads, toy marbles of whatever materials composed, and all other toys not composed of rubber, china, porcelain, parian, bisque, earthen or stone ware, and not specially provided for in this act, 35 per centum ad valorem.

We desire and request that the paragraph be amended so as to read as follows:

Dolls and parts of dolls and toy marbles of whatever materials composed, and all other toys and parts of toys, not composed of china, porcelain, parian, bisque, earthen or stone ware, and not specially provided for in this act, 35 per centum ad valorem.

As will be noticed the only changes requested in this paragraph are the following: The addition of the words "parts of dolls," and the addition of the words "parts of toys," and the striking out of the word "rubber."

It is manifestly absurd and an obvious inconsistency to tax parts of an article at a higher rate than the assembled and completed article, the latter being admitted at a lower rate. Therefore doll's eyes, doll's wigs, etc., should be admitted at the same rate as dolls. Parts of toys are imported almost entirely for the completion of American-made toys, and these parts should therefore be considered as the raw mate-

rial for the American manufacturer. This error crept in through an oversight in the passage of the Dingley Act and should be corrected.

In the passage of the Dingley Act, too, the matter of rubber balls, dolls, and toys was overlooked, and manufacturers of American rubber dolls and toys were somewhat badly treated by having these classified under the head of India rubber manufactures, paragraph 449, which only fixes a duty of 30 per centum ad valorem. The effect was that whilst the other American toys received the benefit of 35 per cent ad valorem the rubber toy and doll only got the benefit of 30 per cent ad valorem.

All the importers and manufacturers request the correction of this inconsistency and oversight.

I am requested to say in behalf of all parties concerned, after thorough discussion, that they all agree that a lowering of duty would not increase the revenues of the Government, because whilst importation might be increased to a slight extent it would not increase it sufficiently to overcome the difference in revenue between the increased rate and the present rate, whereas an increase of duty would probably cause decreased consumption, and therefore it is respectfully requested that, with the exception of the change in phraseology as to parts of dolls and toys and the striking out of the word rubber, the paragraph stand as it is.

In behalf of the importers I particularly desire at this juncture to protest against what we understand is a proposed change in this paragraph by the addition of a clause which we understand is as follows:

Provided, That toys made in imitation or miniature of or bearing the same name as articles that are provided for in the dutiable list of this act by individual or class designation, shall pay the same rate of duty as such articles, but in no case shall any toys pay less than the rate of duty imposed upon miscellaneous manufactures of the material of which such toys are wholly or in chief value composed.

We respectfully represent that this proposed addition, besides being very unjust (as will be pointed out), is almost meaningless and would cause endless litigation and confusion. The adoption of this proposed paragraph would cause a most radical change in the meaning of the paragraph itself.

While the tariff is protective in its nature, as applied to American manufactures, this particular enactment would be very drastic and unnecessary, for as relates to toys there is not the sharp distinction drawn between the American industry and the foreign as in the case of other industries. Toys manufactured here are quite different in style, conception, and in every essential detail compared with the imported toy, and the present rate of duty of 35 per centum ad valorem is satisfactory to the importer and affords protection to the domestic manufacture.

To tax a toy made in miniature of an article specifically provided for would be wholly unfair, somewhat arbitrary, and inconsistent. For instance, a toy watch retailing at from 1 cent to 25 cents each would be taxed with a duty of 40 per cent ad valorem on the case and a specific duty of at least 35 cents each on the works; a toy tin trumpet retailing at from 1 cent to 50 cents each would be taxed as a

musical instrument at 45 per cent ad valorem; and a toy mechanical automobile retailing at from 10 cents to $1 each would be taxed at the same rate as the 50-horsepower racing machine. Other illustrations could be given, but these instances are sufficient to point out the manifest injustice of the proposed legislation and of the hardship placed upon the importers of toys. There can be no possible justification for such an action. The tariff should be framed so that business may be conducted and not throttled.

Then, too, the additional proposal of taxing toys not made in miniature of a specifically enumerated article, according to the component material of chief value, would greatly curtail importation, if it would not make the same prohibitive, for the following reasons:

First. A great many toys consist of many component materials, and to arrive at a conclusion as to which is the chief value would lead to endless litigation. It would be practically impossible to determine this here, and recourse would of necessity be had to affidavits from the foreign manufacturers. Such evidence, being ex parte, would concededly not be the best evidence, and the question could not be determined otherwise. Experience has shown again and again that the results arrived at from the use of such evidence are always unsatisfactory, both to the importer and the Government.

Endless controversies between the Government and importers would ensue, and the result of litigation would establish no fixed principle, for the reason that styles and designs change with every season. The component material of chief value in fabrics and many other classes of goods can be determined by submitting samples for analysis, but completed articles like toys can be subjected to no such tests.

Second. Great confusion would arise from the necessity of changing the styles and sizes of toys to meet the higher rate of duty. Toys are manufactured to be sold at fixed retail prices, i. e., an article is made up to be a 5, 10, 25, 50 cent, or $1 article. Dealers buy these toys to be sold at retail at such prices, importation of these articles to be sold at other prices being relatively small. The selling margin is close, and if the rate is raised, for instance on a metal toy manufactured to sell for 5 cents at retail, it would mean that the toy would have to be made smaller in size, if possible, or its sale will be precluded and its importation stopped. The same holds true with articles manufactured to be sold at the other prices mentioned.

Third. Toys paying a specific and an ad valorem rate (where manufactured in part of wool, of 44 cents per pound and 60 per cent ad valorem) would throw the manufacture and sale of the same into chaos, as no two shipments of the same article would show the same weight. This is due to the fact that the body of such toys, principally in the case of toy animals, is made of plaster, by hand work, and afterwards covered with wool, giving it the classification. Owing to the inaccuracy natural with such work, a uniform weight can not be had. In one instance a dozen toys might weigh 5 pounds; in another, 6 pounds; and again, 4 pounds. Manifestly it would be impossible to make contracts for delivery when it would be impossible to know in advance what sum would have to be paid as duty.

Many imported toys are composed of a variety of materials, and the approximate chief value of the total importations show about the following proportions:

	Per cent.		Per cent.
Metal	45	Papier-maché	3
Cotton	15	Celluloid	2
Paper	7	Leather	1
Rubber	6	Silk, Gallalith, Pearl, Bone, Willow	1
Wood	5		
Glass	5		
China	5		
Fur, Skin, Wool	5		

Fourth. A case of toys frequently contains from 50 to 100 different classes of articles made up of an endless variety of materials. Every single piece would have to be unpacked and subjected to analysis in order to determine the precise value of the material entering into its manufacture. The determination of the examining officer would be nothing more than conjecture in most cases, and the salability of such articles would be seriously impaired.

Fifth. An intolerable state of affairs would result by reason of the fact that the public stores would become completely blocked for want of room, with the enormous amount of cases being held for examination—causing a great hardship both to the Government and to the importer and seriously interfering with business and the expected sale of articles imported.

The present duty on toys is 35 per cent when not composed of rubber, china, porcelain, bisque, etc.; when composed of these materials, it is 30 and 60 per cent, respectively.

The difference in duty under the paragraph if amended would therefore disturb the values and would put the importers and foreign manufacturers to the hardship of reorganizing their lines and upsetting and reducing imports, resulting in diminished revenue without benefit to anyone.

Respectfully submitted.

PETER ZUCKER,
Counsel for Importers and Manufacturers of Dolls and Toys.

DRESSED DOLLS.

[Paragraph 418.]

KAHN & MOSSBACHER, NEW YORK CITY, ASK AN INCREASE OF DUTY ON DRESSED DOLLS AND SIMILAR ARTICLES.

NEW YORK, *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are doll outfitters. This industry, though in its infancy only, is a steady and growing one, and is encouraged by the American merchant.

Speaking of ourselves, we employ between 25 and 35 people in our place of business, and about 300 in their homes, such as house-

wives and persons who are physically unable to work elsewhere. These people do all our hand crochetting, and though not all of them depend on this for their subsistence, we can safely say that the majority of them do.

Referring to the manufacture of dolls' dresses. Most of these dresses are made of fabrics, such as laces and embroideries, material on which 60 per cent duty has been paid, and as we employ experienced help, and are paying good wages for such, it is impossible for us to compete with the foreign market.

Only a small percentage of the trade that are using this class of merchandise are buying same in the home market, and even these import most of their dolls already dressed, whereas others, not only import dressed dolls but also complete sets of outfits for same, on all of which the present duty is 35 per cent.

The writer, who is traveling, selling our product, has convinced himself that some outfits, of which we are the originators as to style and certain marks protected by patent rights of the United States Patent Office, have been imitated by foreign manufacturers and imported at a price much lower than we can produce same, although we do not claim that our trade-mark appears thereon.

The trade in the American market, as well as Canadian, prefer our goods to the foreign product (ours being of better make and improved in every detail). They are encouraging our efforts and are willing to help sustain and support this industry at home, were it not for the difference of cost to them, which we maintain is caused by the difference of cost in production, mainly due to their using material less the 60 per cent duty, as well as cheap labor.

We therefore ask that an increase of duty be attached to this class of merchandise: Dressed dolls, jointed toy animals, and outfits of every description suitable for dressing dolls and jointed toy animals. We would further advise that no increase of duty be attached to undressed dolls, as there is no such industry of this particular kind in the United States at the present time. The only doll being manufactured in America is a rag or rubber doll.

Feeling confident of your worthy support, we have taken the liberty of laying this appeal before you.

To conclude, we will be only too willing to submit samples of our product and further arguments to aid in sustaining this, our claim and contention.

Trusting that this will receive your kind consideration, and thanking you in advance, I am,

Very respectfully,

M. L. KAHN,
Member of the firm of
Kahn & Mossbacher, Doll Outfitters.

GEORGE BORGFELDT & CO., NEW YORK CITY, THINK DUTY ON DRESSED DOLLS SHOULD NOT BE INCREASED.

NEW YORK CITY,
January 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Noting an application for an increase of duty on dressed dolls and similar articles appearing in the "Tariff Hearings"

of December 17, 1908, we deem advisable to lay before your committee a statement of our views together with facts why the said application should be disregarded.

We agree with your petitioners in their statement that "the trade in the American market, as well as Canadian, prefer our goods to the foreign product (ours being of better make and improved in every detail)." There can be and is no competition between the foreign and American-made dolls' dresses. The style, workmanship, and finish is so far superior to the imported goods that it is impossible to sell the imported article in competition. The style and price of the American dolls' dresses do not allow of competition. Also the imported dressed dolls are of such a character that even with a protection of 200 per cent they could not be made here, as they are glued, tacked on, etc., at the time the dolls are made.

Another element entering into consideration is the disturbance and confusion arising from the necessity to change the styles and manufacture of these dressed dolls to meet a higher rate of duty. They are manufactured to be sold at certain fixed prices, i. e., chiefly 5, 10, 25, 50 cents, and $1.

Dealers buy them to be sold at these prices at retail. The selling margin is very close, and to meet a higher duty it would mean rearrangement of value by reduction in size or quality, which would seriously interfere with business and result in reduced revenue, without benefiting anyone.

Reference is made in said application to the items of laces and embroideries entering into the make-up of domestic doll dresses. These form only a very small part of the total value. The main value is in the fabrics of which the dolls' dresses are made, such as cotton prints, which are mostly of domestic manufacture. On many occasions we have had made up abroad samples of dolls' dresses, and have invariably found that we could not compete with the price of the American-made article, for the simple reason that the fabrics of which they are made (dimity, gingham, and organdie) are sold as cheap in the United States as in Europe.

We therefore assume from these facts that the labor paid in the United States is no higher than the wages paid abroad, plus the geographical protection and the duty of 35 per cent. In addition, the American manufacturer has still the further protection arising from the cost of cases, which is about three times as much abroad as in this country, to say nothing of the cost of transportation to the importer of bringing these goods a distance of about 4,000 miles.

By far the greater proportion of dolls imported are without dresses. This is done that the individual taste of the mother may be exercised in dressing the dolls for the children; or by American manufacturers of dolls' dresses, of which there are a large number, including department stores, etc. In fact, the larger retail toy and department stores employ help to make dresses to suit the taste of the purchasers of dolls.

With reference to the jointed toy animals we beg to say that the fabrics of which they are made are American make. It is our experience that with the present duty we can not to-day compete successfully against the American-made articles. The only reason for the importation of such articles is the superior workmanship and finish of each individual toy. Compared size by size the American-made

goods are cheaper than the imported goods, plus the duty of 35 per cent, cost of cases, and transportation.

Respectfully, GEO. BORGFELDT & Co.

STROBEL & WILKEN CO., NEW YORK CITY, THINKS THAT THE APPLICATION FOR INCREASE OF DUTY ON DRESSED DOLLS SHOULD NOT BE CONSIDERED.

591 BROADWAY,
New York, January 23, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Referring to an application for the increase of duties on dressed dolls and similar articles, appearing in the "Tariff Hearings" of December 17, 1908, we take the liberty of laying before your committee a statement of our views and why the application should not be considered.

An increase of duty on dressed dolls, dolls' outfits, or jointed toy animals would, in our opinion, have no tendency to stimulate American production in view of the fact that our leading department stores have the dolls' dresses made here and the small manufacturers in this industry have so far been able to maintain their business under the present tariff schedule. We know of department stores in this city and elsewhere that offer for sale only dolls that are dressed here, claiming that they can not sell the imported styles.

An increase of the tariff would merely enable the manufacturers to extort from the American people higher prices with no advantages for those who work in that industry.

Toy plush bears heretofore imported in large quantities have been utterly routed by the American makers, who sell them far below prices that these goods can be imported for.

A material increase in duties levied on the importers and wholesale dealers necessitates a corresponding increase in the cost to small dealers and eventually to the children, a vast majority of whom belong to the poorer classes, whose purchases are in cents and not in dollars. No such disturbing conditions should be imposed except for the most cogent reasons, and no such reasons exist.

Respectfully, yours,

THE STROBEL & WILKEN CO.,
E. STROBEL, *President.*

TOY STEAM ENGINES.

[Paragraph 418.]

THE WEEDEN MANUFACTURING COMPANY, NEW BEDFORD, MASS., THINKS TOY STEAM ENGINES SHOULD BE CLASSED AS MANUFACTURES OF METAL.

NEW BEDFORD, MASS.,
November 13, 1908.

Hon. W. S. GREEN, M. C.,
Fall River, Mass.

* * * * * * *

DEAR SIR: Without wishing to presume too much on your time, we will state a few of the facts in our case: In the past twenty-five

years several different concerns have started to manufacture toy steam engines in this country, and up to the present time we are the only survivors; while we have been favored with a 35 per cent tariff, it is only by very close attention and the most economical practices that we have been able to keep going. We will give two good reasons for this. From all we can learn, raw material, which enters into the manufacture of our goods, principally sheet brass, sheet steel, and tin plate, are procured by our German competitors at a very much lower price than we have to pay; again, their labor is only about one-third of what we have to pay, they being able to hire skilled labor at about the price we pay apprentices or beginners.

We are of the impression that our class of goods should be under the head of "manufactures of metal," which they certainly are. This would give us a protection of 45 per cent and permit us to employ a skilled class of labor, and consequently produce a higher grade of miniature engines.

Many of these models that we make are used by the scientific schools and consequently would benefit many school children if better made, but we are prevented from making a better class of goods from the fact that we can not compete with the Germans if we utilize the higher grade of labor.

If we had had a little more protection this year we should have been running our factory with a much larger force and at full time, but as it is we are compelled, through the dull times and foreign competition, to run with a comparatively small force.

We will guarantee this, that if we should be favored with a higher tariff we will not advance our selling price one penny; all we ask for is the home market, which we think we are entitled to.

Our business was originally started from the fact that at that time it was almost impossible to procure a toy steam engine that would run satisfactorily; the market was flooded with German toys that were simply engines in appearance and not practical working goods. Through our efforts we have forced our German competitors to put a better grade of goods on the market, and this was brought about by the fact that we guaranteed everything we made to perform properly or we would replace it with perfect goods.

If the committee will give the manufacturing toy industry of the United States in all lines careful investigation they will probably find that there is no business in this country that is turning the manufacturers so little profit. Most of us have our capital in and can not get it out, and this is the only excuse for our staying in the business.

The toy business is a large industry, and with proper protection could be increased threefold in this country, but we are all held back by the cheap German labor and the low price of all raw material in European countries.

Referring again to the classification of our goods, would say that we are positive that no fair-minded person could object to their being classed as "manufactures of metal," inasmuch as they are model engines, and the German manufacturers sell their goods as model engines, illustrating same in their catalogues; and, moreover, some of them are sold as high as $200 each, and after an article is sold much beyond a dollar at retail it can be hardly classed as a toy, inasmuch

as they are purchased and used by youths who are interested in mechanics and are exact models of the practical article.

Sincerely hoping that you can benefit us in this matter, we remain,

Yours, truly,

WEEDEN MANUFACTURING COMPANY.

EMERY AND EMERY WHEELS.

[Paragraph 419.]

NORTON COMPANY, WORCESTER, MASS., REGISTERS ITS APPROVAL OF A MAXIMUM AND MINIMUM TARIFF.

WORCESTER, MASS., *December 14, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The present rate of duty on emery grains and emery manufactured, ground, pulverized, or refined is 1 cent per pound.

Emery ore or rock as it is taken from the ground is on the free list. The duty of 1 cent per pound applies to emery or corundum manufactured, ground, pulverized, or refined. These processes consist in crushing the rock, washing same, sometimes roasting it with the object of removing the impurities, and finally grading it through sieves into uniform sizes, so that it is ready for use in loose grain grinding or for the manufacture of grinding wheels, stones, paper, and cloth.

The Norton Company is interested in this tariff schedule, as it is a large manufacturer of abrasive grains. We are engaged in the manufacture of an artificial abrasive, alundum, made in the electric furnace from bauxite at Niagara Falls. This material is crushed, refined, and graded in our works at Worcester, Mass., and is then manufactured into wheels, and also sold extensively for abrasive paper and cloth and for general polishing and grinding purposes.

Alundum comes into direct competition with emery, and large importations of emery grain at a low price would affect the manufacture of alundum grain in this country. The directors of Norton Company are, however, in favor of a tariff revision on the basis of a maximum and minimum schedule, and have at various times, as individuals and as representatives of this company, advocated a revision of the tariff on the basis of a maximum and minimum schedule, in order to promote reciprocal arrangements with foreign countries.

The present duty of 1 cent per pound on emery is not a high duty. In no sense of the word is it prohibitive, as can be seen from the importations of emery and corundum grains into the United States in 1907. The report of the United States Geological Survey for that year states that 4,282,228 pounds of emery and corundum grains, valued at $185,156, were imported into the United States. This showed an average of about 4½ cents per pound, which corresponds with the average price of emery. Therefore the present duty of 1 cent per pound is less than 25 per cent of the value. We believe that the present duty on emery grains is a perfectly fair and reasonable one, and a duty that can not be reduced without affecting the American industry. The emery ore and rock that is now imported into

the United States to the extent, as given by the Geological report mentioned above, of 11,235 long tons, valued at $211,192, comes in free, and the present duty on the grain protects the American industry, American labor, and American capital now invested in the manufacture of this free raw material. We believe, therefore, that for a maximum tariff to be applied to those countries where we do not have reciprocal relations, the present tariff is just and reasonable, and we therefore urge its retention.

We believe, however, that the spirit of progress indicates freer trade relations by reciprocal duties with other countries, and as manufacturers of abrasive grain and as users of abrasive grains in grinding wheels, stones, and the like, we are ready to overlook our immediate business interests in this matter and to advocate a minimum tariff on emery grains of three-fourths cent per pound.

Those manufacturers interested solely in importing abrasive grain to manufacture into grinding wheels, etc., may advocate a removal of the entire duty. Those manufacturers of abrasive grains who sell their product to grinding-wheel makers, emery-cloth manufacturers, and the polishing trade in general may advocate a retention of the duty. This company, engaged both in the manufacture of the grain and in the manufacture of grinding wheels, looking at it from the standpoint of both interests, believes that the present duty is a reasonable one and should be retained as the maximum duty on a revised tariff schedule; but at the same time believes that we should be ready to give something for the benefit of reciprocal trade relations, and urges that a minimum duty of three-fourths cent per pound be fixed on emery grain.

Emery ore can be purchased at about $30 per ton, including freight. It can be manufactured for about $20 per ton. It suffers in loss by cleaning and in unusable numbers about $5, making a total cost of about $55 per ton. It is sold to-day for about 3½ cents per pound, leaving a profit of about three-fourths cent per pound. This profit would equal the minimum duty suggested above.

Alundum, the product which Norton Company is manufacturing, costs considerably more than emery, as it is an electric furnace product requiring a large amount of power which is expended on an expensive raw material. Its sale, however, has been limited by the importation of corundum, which pays the same duty as emery.

The reduction to the minimum schedule of three-fourths cent per pound would not only affect the American emery manufacturers, but would also affect the alundum manufacturer. A further reduction of this, we believe, would be harmful and dangerous, and we believe no facts in the case would warrant it.

The present rate of duty on emery wheels, emery files, and the manufactures of which emery is a component of chief value is 25 per cent ad valorem.

Norton Company is the largest manufacturer of grinding wheels, stones, and abrasive products in the country. The present duty on these articles of 25 per cent ad valorem has served to curtail the importation of a lot of cheap goods made by low-paid labor. The proportion of labor cost on the grinding wheel is about one-third of the entire cost, and the labor is skilled labor and is paid accordingly. Located, as foreign countries are, near the source of supply of emery, which comes largely from Turkey and Naxos, they are

able, with their low-cost labor, to manufacture abrasive goods at a much lower cost than they can be manufactured in the United States. The duty of 25 per cent is already so reasonable that it is only one element in the protection of this business. The class of trade supplied from abroad will doubtless continue to be supplied as at present, and the United States Government will collect its 25 per cent revenue. If the duty is reduced, we do not believe that the imports will be materially increased. The duty, however, is now reasonable, and we should dislike to see an opportunity opened for the importation into this country of more cheap goods than are now sold.

We believe, however, in a revision of the tariff, and have gone on record as strongly favoring a maximum and minimum tariff in order to promote a reciprocal trade with foreign countries. We believe that the maximum tariff under this schedule should be the present tariff. As a minimum schedule, we would suggest a reduction of 25 per cent from the present rate, so that the minimum schedule should be 20 per cent ad valorem.

Respectfully submitted.

NORTON COMPANY,
By GEO. I. ALDEN, *Treasurer.*

CANADA CORUNDUM.

[Paragraph 419.]

THE SAFETY EMERY WHEEL CO., OF SPRINGFIELD, OHIO, URGES THE REMOVAL OF DUTY FROM CORUNDUM.

SPRINGFIELD, OHIO, *December 14, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: On the suggestion of the Hon. J. B. Foraker, we desire to call your attention to the duty on Canada corundum, which, as you know, is 1 cent per pound. As manufacturers of abrasive wheels, and using a large amount of this material, we feel that this duty is a burden that the manufacturers of abrasive wheels in this country should not be called upon to bear. There is not a single pound of corundum being mined in the United States to-day; neither does this corundum compete against any emery produced in the United States, as the American emery is of such a very poor quality that we do not know of a single emery-wheel manufacturer who uses it in his product.

We feel that the duty should be entirely taken off from Canada corundum, and solicit your interest in this matter.

Trusting you will give it your attention, and thanking you in advance, we beg to remain,

Yours, very truly,

THE SAFETY EMERY WHEEL CO.,
By J. B. BAKER, *Secretary and Treasurer.*

THE AMERICAN EMERY WHEEL WORKS, PROVIDENCE, R. I., WISHES PULVERIZED CORUNDUM PUT ON FREE LIST.

PROVIDENCE, R. I., *December 17, 1908.*

Mr. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We wish to call the attention of your committee to the duty on corundum grains (ground or pulverized corundum) and state the reasons why we believe corundum grains should be put on the free list.

Corundum (by which we mean corundum grains) was not listed in the Dingley tariff bill, but it has always been taxed under the classification of emery grains, the duty being 1 cent per pound. This seems to be obviously wrong, and we believe a serious, though excusable, mistake was made in classifying corundum as emery.

Emery is magnetic iron ore carrying 30 to 60 per cent of microscopic corundum crystals. Emery ore is mined almost wholly in Turkey and Greece. The ore occurs in solid, massive form, free from foreign matters. It is shipped, just as it comes from the mines, to this country at a very low freight rate. There are several companies in this country engaged in crushing and grading emery ore, and the duty of 1 cent per pound on emery grains was doubtless (and properly) imposed to protect these companies.

The circumstances surrounding corundum are entirely different. The ore is in the form of small crystals. These crystals are embedded in various kinds of rock. The proportion of corundum crystals is seldom 10 per cent of the whole mass. It is therefore absolutely necessary to crush, grade, and separate the corundum grains at the mines. The only source of corundums suitable for our purpose (the manufacture of grinding wheels) is Canada. There is no corundum being mined in this country of any commercial importance, and there never has been a supply in this country suitable for our requirements. Inasmuch as corundum ore can not be brought into this country (as 90 per cent or more of rock would have to be brought with it), it can not be crushed and graded here, duty or no duty. We would also mention that the Canadian government demands that the ore be crushed and graded in Canada.

Corundum can not be said to compete with emery, as it is sold for about double the price. We are obliged to use corundum in making a large proportion of our wheels, as wheels made of emery are not nearly as efficient as wheels made of corundum for most grinding operations.

We and other manufacturers of corundum wheels come in competition with wheels made of artificial abrasives. These artificial abrasives are made by patented processes, and are monopolized exclusively by the companies making them. These two companies are not selling their patented abrasives to other wheel manufacturers.

It will be noted from the foregoing that the duty on corundum grains protects no one but the manufacturers of the monopolized artificial abrasives. The duty makes the wheels cost more to the consumer, and works a hardship on the wheel manufacturers who have to compete with manufacturers using their own monopolized abrasives.

The duty lessens our export trade, as corundum wheels are made in Europe, especially Germany, at lower prices than we can make them. We make better wheels than the Germans do, and with corundum on the free list (equivalent to a reduction of about 14 per cent in its cost) we could largely increase our export trade. We are unable to take advantage of the drawback on account of the constantly varying proportion of corundum and other materials in our wheels.

We request that you give this matter careful consideration. We believe all of the manufacturers of corundum wheels will indorse the statements we have made.

Yours, very truly,

AMERICAN EMERY WHEEL WORKS,
H. A. RICHMOND.

STATEMENT MADE BY E. B. PIKE, OF PIKE, N. H., WHO ASKS THAT CORUNDUM ORE BE PLACED ON THE FREE LIST.

SATURDAY, *December 19, 1908.*

The CHAIRMAN. Where do you reside?

Mr. PIKE. At Pike, N. H. I wish to present what I have to say very briefly, and I will try to finish in five minutes. I hold in my hand, Mr. Chairman, a piece of corundum ore, and I will tell you in just a moment what I am here to ask. I am directly interested in two companies that manufacture abrasive material for grinding, polishing, sharpening, and so forth, and in behalf or in the interest of some twenty other manufacturers of grinding wheels, and in the interest of all American manufacturers of iron, steel, copper, brass, stone, wood, and every other material that requires a tool for cutting, I wish to ask this committee to put corundum on the free list.

Mr. DALZELL. Under what paragraph does corundum come?

Mr. PIKE. Corundum is not listed. It is under paragraph 419, classified with emery, put there by the appraiser, as I understand, as emery, by some misapprehension or confusion.

Mr. DALZELL. I think it comes in under paragraph 193.

The CHAIRMAN. Metals not provided for?

Mr. PIKE. It is not provided for in the Dingley tariff.

Mr. DALZELL. Is it not provided for under paragraph 193, which reads:

> Articles or wares not specially provided for in this act, composed wholly or in part of iron, steel, lead, copper, nickel, pewter, zinc, gold, silver, platinum, aluminum, or other metal.

The CHAIRMAN. That is where it comes.

Mr. PIKE. Possibly, in a general way.

Mr. DALZELL. The duty is 45 per cent?

Mr. PIKE. No, I beg your pardon; you will find it in paragraph 419, classified with emery.

Mr. DALZELL. That duty is 25 per cent?

Mr. PIKE. Twenty dollars per ton. One cent a pound.

The CHAIRMAN. It does come under the emery paragraph, I know.

Mr. PIKE. Yes; it does come under the emery paragraph. I have made no attempt to present a technical brief, but merely to outline

the points, and I will submit to the committee later such statement as you want. This is classified as emery, not as emery ore, and it is brought in in the crushed form.

The CHAIRMAN. Emery ore is free?

Mr. PIKE. Yes; emery ore is free. Emery coming in in this form would come in free. The point I want to make is this, that nothing is accomplished for the benefit of American industry or protection for any American resources by affixing this duty—by classifying it as emery. It was done under some misapprehension. It was a substitute for emery, in a sense.

The CHAIRMAN. You want corundum ore put on the free list?

Mr. PIKE. I want corundum ore put on the free list.

The CHAIRMAN. How about the manufactured product?

Mr. PIKE. The manufactured product may remain free. I presume it brings a duty now. I do not care; that is immaterial. Simply in the interest of grinding wheel manufacturers and manufacturers of abrasives, we want the raw material brought in free—that is, the crushed corundum. It can not be brought in in the ore form. These little crystals here have to be separated at the mines from the rock; that is, the corundum crystal. In the gem form that is the ruby or the sapphire, the hardest gem in the world; but emery comes in in great masses and pieces.

The CHAIRMAN. It is not found in this country?

Mr. PIKE. I do not say that, but there is no supply that is obtainable in commercial quantities. I have been an owner for ten years of prospective corundum mines in North Carolina. Corundum occurs there, but in limited amounts, in pockets. I presume more than a million dollars has been spent in trying to develop it. A little is also found in Montana, but of a low grade. Large amounts have been expended in trying to develop it. Some is imported from India. But the only supply that can be depended upon to produce a large quantity suitable for the needs of the manufacturers of this country, which is so far known, is in Canada.

The CHAIRMAN. Has it any other use except that for which emery is used?

Mr. PIKE. No; in general it is used only for grinding or sharpening purposes, but it is superior to emery.

The CHAIRMAN. It is used also for polishing?

Mr. PIKE. Yes, sir; for polishing. No good is accomplished, as I say, by this duty, and it works so much of an extra hardship, as it makes an extra price.

The CHAIRMAN. Is any emery produced here?

Mr. PIKE. No; no emery is produced here. There are two so-called "deposits" of emery ore, but it is brought from Asia Minor and Greece in the form of ore, in large massive blocks, and brought in free and is crushed here. The duty on emery, I presume, is for the purpose of protecting the American crushing mills, and if corundum could be brought in, if it occurred in such form that it could be brought in, in the ore form, the situation would be satisfactory, but it can not be. A penalty of $20 a ton is put upon corundum, the better material, the more desirable material, quite unintentionally, I apprehend.

Mr. UNDERWOOD. How much is it per ton?

Mr. PIKE. Twenty dollars per ton; 1 cent per pound. That is done presumably to protect the American crushers of corundum, the same

as is done in the case of emery, but there are no crushers of corundum and can not be, because the ore averages less than 10 per cent.

Mr. UNDERWOOD. You manufacture these "Pike whetstones," and so forth, do you not?

Mr. PIKE. Yes, sir.

Mr. UNDERWOOD. In your finished product, how much corundum is there? How much corundum goes into the finished product; what is the percentage?

Mr. PIKE. I will have to make it brief, because I am late, and I am talking hurriedly for that reason, having waited all day. There is none of it in our whetstones, except in the corundum oilstone, which is made of pure corundum, and perhaps 98 per cent of the consumption of corundum is in grinding wheels, what is known to the trade or the layman as the "emery wheel," in which the emery is replaced by corundum, because it is the better cutting material. In our corundum wheels we use only corundum and a bonding material.

Mr. UNDERWOOD. What is that?

Mr. PIKE. The bonding material, the binding material; the clays.

Mr. UNDERWOOD. That costs you $20 a ton. Now, what is the value of the corundum in the grinding wheel?

Mr. PIKE. About 80 per cent—no; it is over 90 per cent of the value of the wheel.

Mr. UNDERWOOD. The labor cost, then, is not much?

Mr. PIKE. I was thinking you meant of the materials used in the wheel. The labor cost is an important factor; probably 20 per cent. I will have to give you an offhand estimate.

Mr. UNDERWOOD. You say the labor cost is 20 per cent of the cost of the wheel. Then the corundum will form 80 per cent of the cost?

Mr. PIKE. I should say so, offhand. I would want to modify that later by investigation of the figures.

Mr. UNDERWOOD. What do you sell that wheel for?

Mr. PIKE. The prices vary from 5 cents up into very large amounts, according to the size. The wheels run from a fraction of an inch to 4 feet in diameter.

Mr. UNDERWOOD. From a fraction of an inch?

Mr. PIKE. Yes. They are used in the mouth, for your teeth, and in the big factories for grinding steel.

Mr. UNDERWOOD. Take some average wheel so that we can get some average price.

Mr. PIKE. That would be rather impossible. If you ask me for some specific purpose, it would be easier. Take a wheel for grinding saws in your southern country. The corundum wheel is the wheel used for grinding saws. It cuts them and does not draw the temper. A wheel twelve by five-eighths would bring $2.

Mr. UNDERWOOD. That is a wheel that retails for $2?

Mr. PIKE. I presume so. I am not connected with the trade.

Mr. UNDERWOOD. What is your cost price for that wheel?

Mr. PIKE. I should say not far from half that; a little over, perhaps; say $1.15.

Mr. UNDERWOOD. Now, what is the value of the corundum in that wheel?

Mr. PIKE. Of course you will allow me to state there that between our cost and the consumers' price come two profits, at least.

Mr. UNDERWOOD. I understand.

Mr. PIKE. Yes.

Mr. UNDERWOOD. What is the value of the corundum in that wheel which costs you $1.15?

Mr. PIKE. It would be quite conjecture to give you that offhand, but I am quite willing to prepare a detailed statement if the committee wishes it. I only wanted to present the salient points and not go into those figures.

Mr. UNDERWOOD. But it is material for me, Mr. Pike. This is a question of revenue. There is some revenue produced by it. I would like to get an estimate if I can, and that is the reason I am asking you these questions, as to how much the burden on your business of this present tax is, and that is what I am trying to bring out by these questions. I want to find out how much a ton you are selling this stuff for; that is practically what the question amounts to, and that is the reason I am asking you how much corundum there is in this wheel at $1.15.

Mr. PIKE. Yes; I would like to say this, rather than try to make a specific answer: That this duty prevents the American manufacturer from using corundum to anything like the extent he could and ought to use it in the interests of the American manufacturers as a whole. The consumption of emery is large and of corundum small, and the duty is to an extent responsible.

Mr. UNDERWOOD. I understand you are satisfied with your opinion about it. That is your opinion. But we can not come to an opinion on that question unless you give us the facts, and unless you give us the amount of corundum that goes into one of these wheels and what you are selling it for there is no way in which we can ascertain what burden is being placed on you by this taxation.

Mr. PIKE. Could I perhaps answer that by stating that I should presume the removal of this duty would make 10 per cent difference, would make a 10 per cent lower price, or something like that? Would that answer your question?

Mr. UNDERWOOD. No; it is not the selling price I am inquiring about, or what the consumer would get it for. You say that the duty makes this corundum cost you so much. The duty is $20 a ton. Now, how much do you pay for the corundum itself, yourself?

Mr. PIKE. One hundred dollars a ton at the mines.

Mr. UNDERWOOD. And then you pay a duty of $20 a ton?

Mr. PIKE. I think I can perhaps give you a fact that will make clearer your point. Emery comes in in that form free of duty and is crushed here by American mills. It comes in pure—95 per cent pure, perhaps—and sells at from 3 to 3½ cents per pound. Corundum costs 5 cents at the mines and is brought in here, and it costs, with the duty, 6 to 6½ cents, or double the cost of emery.

Mr. UNDERWOOD. I think you have answered my question to some extent. Your corundum costs you $100 a ton at the mines. After you get it in here, besides the freight rate you have got a duty of 20 per cent?

Mr. PIKE. Yes, sir.

Mr. UNDERWOOD. This duty amounts to one part in six of what you pay for it?

Mr. PIKE. Yes.

Mr. UNDERWOOD. So that the duty in the wheel amounts to one part in six?

Mr. PIKE. Yes.

Mr. UNDERWOOD. Then, what is the cost of that wheel at your factory that you sell for $1.15? That gives us the burden.

Mr. PIKE. That I could not state without taking up factory costs and taking a specific wheel, which I have not in mind, because that is only one perhaps of several thousand sizes. The multiplicity of sizes of wheels is something tremendous—enormous.

Mr. UNDERWOOD. What is the average profit you make on these wheels?

Mr. PIKE. The net profit?

Mr. UNDERWOOD. Yes.

Mr. PIKE. I have been four years in the manufacture of corundum wheels, and I am trying very hard to get it onto that side of the ledger. That is one of the things I am striving for, believing this will help; but so far the profit is not a very considerable item.

Mr. UNDERWOOD. I had an idea that your business must afford a pretty good profit, because as I understand for your whetstones you mine your material in Arkansas and ship it all the way to New Hampshire and grind it and make it into whetstones and sell it.

Mr. PIKE. That business stands on its own feet and has nothing to do with the corundum wheel business. My Cortland Corundum Wheel Company is in Cortland, N. Y., and the Pike Whetstone Company makes whetstones, and we dig the material out of the hills of Arkansas as my grandfather did many years ago, and ship it to New Hampshire, and the freight rate is 15 to 25 per cent on the finished article.

Mr. UNDERWOOD. The freight rate on the rock, shipping it across the continent, if it should be successful, would make a pretty good profit.

Mr. PIKE. That would appear so, but that is fallacious.

Mr. UNDERWOOD. I think if you would file the figures that show what I have asked you for it would throw a good deal of light on the question whether we ought to leave this duty on for the revenue, perhaps, or take it off entirely, so that your industry might survive.

Mr. PIKE. Taking it in the broadest sense, any figures you indicate I will be glad to give you at a later time; but taking it in the broader sense. I am not speaking so much for our individual industry, because we can protect ourselves, but this protects two monopolies in abrasives. Three abrasives are in the field now, two of which should be replaced by the better material, according to the American methods; corundum, which is not supplied in this country, and two artificial abrasives which are monopolies, being in the hands of patentees, who are able to get a vastly greater profit than we can make. We are contending against them and producing a better wheel for many purposes—not for all purposes. But we can show a decided reduction of cost and improvement in the production of every iron, steel, glass, and stone manufacturer in the country by giving him the better wheel. It is becoming more a question of the tool in every factory, and it is therefore in the interest of American industry in the broadest sense to procure corundum and use it; so that I do not make the plea on the ground purely of our own profit or that of the other manufacturers of corundum and emery wheels, but because it is in the interest of the country to-day; and if the supply could be obtained here in this country it would be a splendid thing for us.

Mr. UNDERWOOD. Your industry is to be considered on one side and the revenue on the other, and you ask us to cut off a certain amount of revenue that the Government is obtaining——

Mr. PIKE. That is quite trifling, I assure you.

Mr. UNDERWOOD (continuing). And to assist your industry. Now, we would like to have these facts.

Mr. PIKE. Yes; I would be very glad to give them to you, and I would like to state that I am interested as a consumer and as a producer. That might be brought up later on, to offset anything I might state. I tried to produce here for ten years, and failing to do so I have taken a temporary interest in Canada, and I appear here for the consumer, because the difference in duty will not make any difference to the owner of the mines, but to the consumer.

Mr. Chairman, will you indicate perhaps a little more definitely the information which you want me to give?

Mr. UNDERWOOD. The information which I asked for was, what was the profit on this $1.15 wheel you said you could give me. I want the information as to what the amount of the corundum is, and the profit.

Mr. PIKE. I think I understand. Thank you.

EXPLOSIVES.

[Paragraphs 421 and 422.]

ROBERT S. WADDELL, OF PEORIA, ILL., RECOMMENDS THAT ALL EXPLOSIVES BE PUT ON THE FREE LIST.

PEORIA, ILL., *January 13, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the matter of the tariff schedules on explosives, I desire to submit a few reasons why explosives should be placed upon the free list.

1. Because a protective tariff is wholly unnecessary.

2. For the reason that it is harmful to the people and the Government and is of no benefit to the American manufacturers.

3. The American powder and dynamite trust by its unlawful acts against the Government has forfeited all right to Federal protection.

Waiving all discussion of the willful violation by the powder trust of state and national laws prohibiting monopolies in restraint of trade within the United State, I invite your attention to a few extracts copied from the World Agreement fixing prices, restraining trade, dividing the markets of the world between the American and European explosives trusts, with our comments thereon.

This agreement was made in October, 1897, for a long term of years and to continue indefinitely thereafter from year to year until six months' notice of intended termination is given.

The "common (or slush) fund" is now on hand, undivided, and available for use.

Agreement made this 26th day of October, 1897, between Messrs. E. L. Du Pont de Nemours & Co., of Wilmington, Del.; Laflin & Rand Powder Company, of New York City; Eastern Dynamite Company, of Wilmington, Del.; The

Miami Powder Company, of Xenia, Ohio.; The American Powder Mills, of Boston, Mass.; The Aetna Powder Company, Chicago, Ill.; The California Powder Works, of San Francisco, Cal.; The Giant Powder Company (Consolidated), of San Francisco, Cal.; The Judson Dynamite and Powder Company, of San Francisco, Cal. (hereinafter collectively referred to as the "American factories") of the one part, and The Vereinigte Koln-Rottweiler Pulverfabriken, of Cologne; The Nobel-Dynamite Trust Company (Limited), of London (hereinafter collectively referred to as "the European factories") of the other part.

Whereas the parties hereto own or control a large number of companies and works engaged in the manufacture and trade of explosives, and

Whereas it has been deemed advisable to make arrangements, so as to avoid anything being done which would affect injuriously the common interest,

It has therefore been agreed as follows:

The word "explosives" in this agreement is to be understood as including detonators, black powder, smokeless sporting powder, smokeless military powder, and high explosives of all kinds.

A list of all the companies and factories controlled by the American factories directly or indirectly is to be prepared and handed by Messrs. E. I. Du Pont de Nemours & Co. in duplicate to the European factories at the time of the execution of this agreement, and the European factories are to hand to Messrs. E. I. Du Pont de Nemours & Co. a complete list of companies controlled by them directly or indirectly when executing this agreement.

The lists exchanged show dozens of manufacturing corporations, both American and European, not mentioned in the agreement, but all parties in the world trust.

It embraces a complete monopoly in the United States of black sporting and rifle powders; black military, ordnance, and saluting powders; smokeless ordnance and military powders; more than 99 per cent of smokeless sporting powders; all fuse powders; more than 95 per cent of dynamite and other high explosives; all detonators for firing high explosives, and more than 95 per cent of the blasting and mining powders manufactured and consumed in the United States. The chief exception is the trivial amount of smokeless ordnance powder made by the navy at Indian Head plant and by the army at its miniature plant, Dover, N. J.—scarcely enough for current target practice.

Of nearly a million pounds black military and sporting powders made per year in the United States, this Du Pont trust produces all and fixes the price, with a net profit of 150 per cent.

Foreign competition is prohibited. Domestic competition impossible.

The American factories bind themselves not to erect factories in Europe, and the European factories undertake not to erect any factory in the United States of America.

Whenever the American factories receive an inquiry from any Government other than their own, either directly or indirectly, they are to communicate with the European factories through the chairman appointed as hereinafter set forth, and by that means to ascertain the price at which the European factories are quoting or have fixed, and they shall be bound not to quote or sell at any lower figure than the price at which the European factories are quoting or have fixed. Should the European factories receive an inquiry from the Government of the United States of North America, or decide to quote for delivery for that Government, either directly or indirectly, they shall first in the like manner ascertain the price quoted or fixed by the American factories and shall be bound not to quote or sell below that figure.

The American powder and dynamite trust is hereby authorized and empowered to fix the price to be charged the Federal Government for smokeless ordnance and military powders, and for dynamite and other high explosives for the Panama Canal. Competition is eliminated, and the power of the Du Pont trust is supreme.

Should independent competition develop in this country two-thirds of an enormous common fund, contributed by the wealthiest monopoly in the world, is available for its destruction.

The Du Pont trust has claimed that the joint army and navy board fixed the price of ordnance smokeless powder. By this agreement the Du Pont trust fixes the price. This caused the Government to pay 75 cents, and it now pays 69 cents per pound for powder that costs 32 cents to manufacture.

From the execution of this world agreement in 1897 up to date the president of the Du Pont trust has continuously served as the "American chairman." His duties and powers are later defined.

Here follows the division of the markets of the world, including all this side of Mars and other celestial bodies:

It is agreed that the United States of North America, with their present or future Territories, possessions, colonies, or dependencies, the Republics of Mexico, Guatemala, Honduras, Nicaragua, and Costa Rica, as well as the Republics of the United States of Colombia and Venezuela, are to be deemed the exclusive territories of the American factories and are hereafter referred to as "American territory." All the countries in South America not above mentioned, as well as British Honduras and the islands in the Caribbean Sea which are not Spanish possessions, are to be deemed common territory, hereinafter referred to as "syndicated territory;" the rest of the world is to be the exclusive territory of the European factories, hereinafter referred to as "European territory."

The American factories are to abstain from manufacturing, selling, or quoting, directly or indirectly, in or for consumption in any of the countries of the European territory, and the Europeans are to abstain in like manner from manufacturing, selling, or quoting, directly or indirectly, in or for consumption in any of the countries of the American territory. With regard to the syndicated territory neither party are to erect works there, except by a mutual understanding, and the trade there is to be carried on for joint account in the manner hereinafter defined.

The American factories shall forthwith designate in writing a chairman and vice-chairman, who shall hold office as such until their respective successors shall be appointed by the party of the first part, and such chairman, or in his absence such vice-chairman, shall be the authorized representative of the American factories, to whom and through whom all communications, acts, and transactions in respect to this agreement, unless otherwise stipulated, shall be had; and the European factories shall likewise forthwith designate in writing a chairman and vice-chairman, to whom shall be referred all matters which by terms of this contract are made referable to the chairman representing the European factories. The said chairmen or vice-chairmen shall jointly establish rules for the carrying out of the syndicate arrangements hereinafter referred to.

The chairmen shall from time to time mutually agree upon a basis price for each market in the syndicated territory, such basis price to include cost of manufacture, freight, insurance, landing charges, magazine charges, and all other charges until delivery, including agency commission and the contribution toward the common fund hereinafter stipulated.

The chairmen shall likewise fix a selling price for each market, which is to be deemed a convention price, below which no sales are to be effected, and the difference between the basis price and the selling price is to be deeemd the syndicate profit, and to be divided in equal shares between the American factories and the European factories.

After deducting the American territory and the syndicated or pooled territory, the "rest of the world" is the exclusive territory of the European factories.

Please note the American factories are to abstain from manufacturing, selling, or quoting in the "European territory," and the Europeans are to abstain in like manner from manufacturing, selling, or quoting, directly or indirectly, in or for consumption in any of the countries of the "American territory." This portion of the agreement is strictly enforced at the present time.

It is wholly unnecessary to protect the American manufacturers with a tariff, when they have so completely protected themselves by contract. The Du Pont trust is superior to tariff, as well as all other laws.

Should independent factories develop in Europe and desire business in this country why should Congress deny the American consumers the privilege of protecting themselves against the greed of the Du Pont trust by purchasing abroad and without the payment of tariff charges?

The American powder trust has ample protection in the enormous "common fund" contributed by the foreign and domestic trusts, two-thirds of which is available for the destruction of American commerce that comes in competition with this world monopoly.

Please note the "syndicated territory" and the method of fixing prices, restricting trade, and the division of profits between the American and foreign powder trusts. This method is in effective operation to-day, regardless of the expiration date of written contracts. The world trade was divided and the contract results remain in statu quo.

A common syndicate fund is to be constituted by a payment of $1 per case of 75 per cent dynamite or per case gelignite, gelatin dynamite, or blasting gelatin, and a payment of such portion of $1 as the percentage of nitroglycerin in lower grade dynamites bears to 75 per cent, until such fund reaches the amount of $50,000, when the contribution is to be reduced to one-half the above-mentioned rates.

The syndicate accounts, according to clause 10, made up to December 31 in each calendar year, are to be handed in by both parties so as to reach the chairman of the other party by April 15 next ensuing, and the payments for the balance are to be made by June 30 following, when the amount contributed to the common fund shall likewise be paid.

The common fund shall, as the chairman may decide, be invested in government securities, and it is from this fund that any fine or fines hereinafter stipulated, not recovered from the parties, shall be taken. It shall likewise be admissible for the chairmen to dispose of two-thirds of the common fund for the purpose of protecting the common interest against outside competition.

Any breach of this agreement shall be adjudicated upon by the chairmen, and if they can not agree they shall appoint an umpire. For the guidance of the chairmen and umpire it is agreed that, should either of the parties erect factories in a country reserved to the other, the liquidated damages shall not be fixed lower than £10,000.

Should either party trade in the territory of the other, it shall be admissible for the chairmen to absolve them of any accidental breach; but if an intentional breach shall be proved, the fine shall be the invoice value of the goods supplied. No restriction is placed on the decision of the chairmen as to the penalty to be imposed for intentional underselling in one of the markets of the syndicate territory.

There has not been a single independent competitor of this American powder trust within the United States during the past ten years that has not felt the blighting force, directly or indirectly, of this common fund. All have been its victims. The destructive methods of the American trust have been sufficient to blight competition in this country, but when to this is added the contributions of the wealthy European factories, through the common fund, for the elimination of competition, it is a marvel how any competitor has survived.

The enormous proportions of this common fund may be judged by two items:

The United States Government places orders frequently for lots of eight and ten million pounds of 75 per cent nitroglycerin dynamite

for the Panama Canal. Ten million pounds means 200,000 cases. At $1 per case this would net $200,000. At 50 cents, the minimum per case, the contribution on this single order would net a payment of $100,000 into the common fund. A single shipment, oft repeated, from European factories to South Africa would contribute a larger sum to the common fund; yet these are only two points of activity in the great markets of the world.

An independent manufacturer of explosives in the United States, with this great organized combination of foreign and American monetary interests against him, has about as much chance to survive as a snowball in—the Tropics.

Why should the patriotic representatives of the American people protect this gigantic powder monopoly with a tariff at the expense of their constituents?

The present tariff on blasting powder is 4 cents per pound, or $1 per keg. In Pennsylvania, West Virginia, and throughout the Middle West the powder trust now fixes the delivered price of this article at $1.10 per keg and supplies most of the trade at $1.

The freight rate from the seaboard will average 20 cents per keg. The manufacturing cost varies from 80 to 90 cents per keg at mills.

Think of a protective tariff of $1 per keg on an article that sells inland for $1, which costs at the seaboard 90 cents to import and 20 cents freight cost to deliver. This powder for the past five years has all been sold at from 90 to 95 cents, until the larger independent companies were ruined and absorbed (my own company among others), when the present list was established.

Please note that if the European trust should sell in this country at any price, the offending company is fined the full "invoice value of the goods supplied;" and if it fails to pay the fine, it is paid out of the "common fund." Free trade would be futile in securing competition. A protective tariff is ridiculous.

With regard to the markets in the European territory in which the American factories have already done business, and from which—in accordance with the stipulations of this agreement—they are to retire, as well as the markets of the American territory in which the European factories have already done business, and from which they are—according to the stipulations of this agreement—to retire, the following is agreed:

Agents are, as far as possible, to be retained by the party who is henceforward to do the business in the market question.

Magazines are in a like manner to be taken over at their present value, to be determined by mutual agreement or arbitration.

Stocks, if in good merchantable condition, are to be taken over at full cost, i. e., the amount which the goods at present cost, with accumulated charges.

This agreement is to be in force for ten years, beginning from July 15, 1897, subject to written notice being given six months prior to July 15, 1907. In the absence of notice this agreement is to continue thereafter from year to year until such six months' notice of intended termination is given.

Settlements have been made annually for many years between the American and European chairmen under this world agreement. It is still in full force and effect and will remain so for years, with some variations made by the chairmen, to avoid technical complaints and proofs; the trade of the districted territories is restrained, and the common fund is undistributed.

Was not this world agreement a willful violation of both the civil and criminal laws of our country, prohibiting monopolies, the fixing of prices, and the restraint of trade?

Courts may dissolve and enjoin the present form of this world monopoly; it will only change its chameleon hue and continue in efficient operation.

> You may break, you may shatter the vase if you will,
> But the scent of the roses will hang round it still.

No independent powder manufacturer, possessing a full knowledge of the situation, would desire a protective tariff on explosives.

Their production is limited to blasting powder and dynamite, and the powder trust fixes a ruinously low price on these, depending for its rich revenues on the support of the United States Government, through its excessive price and liberal and exclusive purchases of ordnance and military smokeless powders, and dynamite for the Panama Canal.

A protective tariff is not necessary either on blasting powder or dynamite. There is no competition in the United States with the Du Pont trust on black rifle, sporting, and military powders, nor on smokeless sporting, ordnance, and military powders. On these the American trust enjoys a complete monopoly and is amply protected from foreign competition by its world agreement.

We therefore respectfully protest against any protective tariff on explosives and request, on behalf of the consumers of this country, that explosives be placed upon the free list.

The Congress and the President will need no interpreter to point with pride to the glowing patriotism and scrupulous fidelity of the Du Pont trust, as exemplified in its compact with foreign trusts to corner the markets of the world against the United States Government.

Its successful efforts in fixing an extortionate price and the elimination of all competition, foreign and domestic, in the supply of ordnance smokeless powder for national defense, are earnestly commended for the thoughtful consideration of those in Washington who have been the stalwart friends of the powder trust.

A careful perusal of this world agreement will disclose why our navy powder was tested in the guns of foreign nations, disclosing its quality and ballastic properties; and why the Du Pont trust built the factory in Brazil to manufacture American navy powder for use in foreign guns.

It is a matter of regret that the War and Navy Departments and the Congress have not taken concerted action to break this unholy alliance with the Du Pont powder trust and establish government plants of adequate capacity to conserve the public welfare.

Our patriotism should be broad enough and of a quality to freely grant protection to all American industries that need it. It should be vital enough to resent every successful combination with foreigners to "hold up" the United States Government for private mercenary purposes.

For the edification of the Congress I will be pleased to furnish a certified copy of this "world powder trust agreement," if it is desired.

Respectfully submitted.

ROBERT S. WADDELL,
President Buckeye Powder Company.

THE INDEPENDENT POWDER COMPANY, JOPLIN, MO., URGES RETENTION OF PRESENT DUTY ON EXPLOSIVES.

218 WEST FOURTH STREET,
Joplin, Mo., February 1, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: I have been informed that Robert S. Waddell, president of the Buckeye Powder Company, of Peoria, Ill., addressed a petition to your honorable committee under date of January 13, 1909, asking that powder and high explosives be placed upon the free list—that is, that foreign manufacturers be permitted to ship their explosives into this country duty free and compete with American manufacturers.

This company is strongly against this proposition, both as a general proposition and as a particular proposition applied to business in the southwestern part of this country.

The Independent Powder Company, of Missouri, is a strictly independent concern—that is, not allied with any other firm or corporation in any manner whatsoever. We are manufacturing from 25,000 to 35,000 pounds of dynamite per day at our factory near Joplin, Mo. We have numerous offices and magazines throughout the western half of the United States, and our trade covers a large territory, as we are, I believe, the only independent competitors of the so-called "powder trust" west of the Mississippi River.

One of our most important branch offices is at El Paso, Tex. Our representatives from this office visit the large mining trade in western Texas, New Mexico, and Arizona, and we have in these States a very valuable trade which we are anxious to hold.

Formerly we did a large business in the Republic of Mexico, shipping as high as eight or ten carloads of dynamite per month to the mercantile firm of Hasam & Moreno, Mexico City, and to the prominent railroad contracting firm of Hampton & Smith. We also had other important customers in the Republic.

About three years ago our business in the Republic of Mexico was suddenly stopped by a prohibitive import duty of $6 per 100 pounds, imposed upon dynamite by the Mexican Government. A company, known as the Compania Nacional Mexicana de Dinimita y Explosives, had been formed in the Republic for the manufacture of dynamite. A prohibitive duty was placed upon dynamite, while black powder was left upon the free list, not being manufactured by the new company in Mexico.

Since the duty went into effect we received many leters from Mexican mine owners imploring us to do something for them on dynamite and complaining bitterly of the treatment they were receiving at the hands of the Mexican company. We we not able to help them.

The Mexican Dynamite Company, however, met with numerous accidents, and after endeavoring to operate their plant for about one year decided that it was cheaper to purchase dynamite than make it, especially as their concession from the Mexican Government permitted them and them only to import dynamite duty free under their charter. Consequently, through eastern friends of ours, we were favored with

orders for eight or ten carloads of dynamite, which we shipped into the Republic within a period of forty-five days.

The Mexican company, however, rebuilt their plant and endeavored once more to run it, some dissatisfaction with their business methods having grown up inside their company. I imagine the faction desiring to operate the plant was headed by Juan F. Brittingham, the manager and director of a large soap works at Torreon, Mexico. A soap concern, of course you understand, manufactures large quantities of glycerin and were interested in the Mexican Dynamite Company principally to secure a sale for their own product.

At any rate it appeared that some decided move was to be made by the Mexican company, and we sent a representative to Torreon to investigate conditions. He found the Mexican company was about to close a contract for the purchase of a large quantity of dynamite, it having developed that even with their plant in full operation they were unable to supply the demand in Mexico, all American manufacturers being shut out by the prohibitive duty of $6 per 100 pounds.

As soon as it became known that our company was figuring on this contract the matter was closed up with the Dupont Powder Company before we had time to submit our figures.

Since that time I understand the Mexican Dynamite Company has largely increased their plant and are becoming a great factor in the dynamite manufacturing business.

I have given you this little history, so that you can appreciate our position should the duty be removed from dynamite by the United States Government. All our western mining business would be thrown open to the competition of the Mexican company, whereas we would be prohibited from entering Mexican territory by the $6 per 100 pounds, which is about 50 per cent of the value of the goods at the border.

The present duty on dynamite brought into this country, which I understand is 4 cents per pound, is no more than enough to protect us against the lower cost of manufacture in Mexico. In this country dynamite labor is a very high-paid, skilled labor. In addition to our heavy pay roll we are, of course, called upon to stand the losses due to explosions and to frequently pay damage suits, which greatly diminish our profits.

The Mexican Dynamite Company, on the other hand, works the cheap Mexican peon labor, and I imagine suffers little loss from explosives other than the destruction of their property.

I feel very confident that this matter is worthy of your serious attention, and I feel, upon further investigation, you will develop the fact that Mr. Waddell's request for powder and dynamite to be placed upon the free list is merely to hurt what he has designated as the "powder trust," and not from any economic or philanthropic motives nor from a knowledge of the practical manufacture of dynamite.

While the actions of our largest competitor have at times been very painful to this company, at the same time we believe, as American manufacturers, our interests are the same as theirs where a matter of import duty is concerned.

I am not able at this time to appear before your honorable committee in person, but I will be glad to furnish you with any further data you may require in regard to the matter discussed in this letter,

and I will be glad to have some expression in regard to the matter from you.

I have the honor to remain, yours, very truly,

INDEPENDENT POWDER COMPANY OF MISSOURI,
N. P. ROOD, *Secretary.*

MATCHES.

[Paragraph 423.]

HON. D. F. LAFEAN, M. C., SUBMITS LETTER OF THE PENNSYLVANIA MATCH CO., BELLEFONTE, PA., PROTESTING AGAINST REDUCTION OF DUTY ON MATCHES.

BELLEFONTE, PA., *November 18, 1908.*

Hon. D. F. LAFEAN, M. C., *York, Pa.*

MY DEAR MR. LAFEAN: We understand there is to be an effort made to have the duty on matches lowered. We feel that this should not be done for the following reasons:

The duty on materials we import is a considerable portion of the amount of protection we receive. We are importing for matches all our glue. The difference between domestic prices on chlorate of potash and the prices obtaining in Europe is very considerable. The raw material for this chemical is all imported from Germany. The chlorate of potash manufacturers are so thoroughly protected at this time that they obtain in this country about 1½ cents per pound more for chlorate of potash than the prevailing price in England, which is equal to about 30 per cent duty on the article.

Prices abroad on paraffin wax are uniformly lower than here. The difference in the cost of labor between our home manufacturers and the English and German manufacturers is from 25 to 50 per cent more here. Manufacturers of matches in this country have at this time only a reasonable profit for the money invested, not more than 10 per cent. The consumer is getting his matches at a most reasonable price.

All in all, the duty on matches is very inconsiderable and ought not to be reduced.

Will you kindly take this up before the proper committee and present the points as we have outlined them above?

Yours, very truly,

THE PENNSYLVANIA MATCH CO.,
J. L. MONTGOMERY, *Treasurer.*

BRIEF SUBMITTED RELATIVE TO REDUCTION IN TARIFF ON MATCHES BY THOMAS CADWALLADER, VICE-PRESIDENT ILLINOIS MATCH CO., JOLIET, ILL.

WASHINGTON, D. C., *November 28, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee.

SIR: As a prelude to my protest against the reduction of the tariff on matches, I wish to state that the last thirty years' record of inde-

pendent match factories in the United States show something like 50 to 60 failures, entailing losses running up to several millions of dollars in that particular line of effort.

About thirty years ago, prior to the organization of the Diamond Match Company, it had become quite apparent to the several match factories then in existence that the competition of foreign match manufacturers would sooner or later affect them under existing conditions, and with that fact before them they no doubt were easily persuaded to enter into one company.

Since that time those who started in the manufacture of matches independently have had quite a hard time of it, and the consequence was that one after another failed in their enterprise. The smaller ones of course more quickly, but the larger ones in time, and out of this long list of failures there are to-day only 13 independent match factories in existence.

It is quite apparent that through the organization of the Diamond Match Company that they have been much better prepared to combat the low prices made by foreign match factories than they would otherwise.

In behalf of the Illinois Match Company, of Joliet, Ill., of which I am a stockholder and vice-president, I wish to enter a protest against any reduction of the tariff on foreign matches of any description. It is only within the last ten years that those manufacturers outside of the Diamond Match Company have been able to secure a foothold in the manufacture of this product in the United States.

There are at the present time 13 independent match factories running, in which are employed 3,000 to 3,500 people directly, and probably 5,000 more indirectly. There are at the present time five or six new companies in process of organization; some of them, no doubt, will be ready to start manufacturing within the next six months.

I beg to say that all the raw material that goes into the manufacture of matches in the United States is produced by American labor, and at a good wage for such labor, and believe that the manufacture of matches by so-called independent concerns, meaning those outside of the Diamond Match Company, is in its infancy, as it is a well-known fact that the increase in the consumption of matches in the United States is about 12 to 15 per cent each year, and with this increase coming along regularly there is plenty of room for a much larger number of manufacturers of matches at a reasonable profit for the investor, if conditions are kept at a point whereby such manufacturers will not have to compete against cheap foreign labor, which is used entirely in the factories from which foreign matches are imported.

Most of the independent factories mentioned herein which failed in the business, were started at points east of Ohio and north of the Mason and Dixon line, in which territory, owing to the low rate of freight from sea coast, the distributing points for foreign matches, and the low prices, they were unable to manufacture and sell at a profit or even cost, and in consequence thereof were driven to the wall. Nearly all of these concerns when they first started put in foreign match-making machinery, so they could make the same style match as the imported, but notwithstanding this condition they were unable to pay the price of labor in this country and make the matches to sell at a profit as against the foreign matches with the present duty, or the duty at that time added.

After the organization of the Diamond Match Company, about 1880, and prior to 1900, about thirty independent match factories were started, which went out of business or failed with approximate losses of about $3,000,000. In 1900 three were started which failed or went out of business with approximate losses of $50,000. Nineteen hundred and one shows thirteen new companies started and failed and went out of business with an approximate loss of about $2,000,000. Nineteen hundred and two shows three enterprises which failed or went out of business with approximate losses of $500,000. Nineteen hundred and three, two more were started which failed and went out of business with approximate loss of $60,000. Nineteen hundred and five, one started and failed with approximate loss of $30,000. Nineteen hundred and six shows one which failed and went out of business with a loss of $20,000. And the record for 1907 shows four failures in the business, with an approximate loss of $800,000, making a total of a loss within thirty years of near $6,500,000 sustained by people who embarked in the match business.

It is extremely doubtful if more than three or four of the thirteen present independent match manufacturers are able to pay dividends regularly, and a reduction of the present tariff would without doubt drive most of them, if not all of them, to the wall. The business at the present time is growing very nicely, and it should grow much greater in time to come, but a reduction in the present tariff would work a great injury to an industry that has a wonderful possibility before it in the manufacture of one of the greatest commodities of the age.

While at the present time the Diamond Match Company controls about 70 per cent of the match business in the United States, yet the independent manufacturers if properly protected and fostered will sell matches as cheap, if not cheaper, than they do, and surely make inroads upon their proportion of the business very rapidly within the next few years, and at the same time give investors a fair return on their venture. In fact, if this protection is afforded, the developments of independent match manufacturers will show much greater progress in the next ten years than they have in the past thirty years.

If the Diamond Match Company, with its thirty years of experience, its wonderful economical machinery, $16,000,000 capital, and being as it is acknowledged one of the best organized industries in the United States to-day, was able to earn in 1907 (said to be their banner year for the past ten years) only 14 per cent, I ask in all candor what would become of the independent manufacturers if we had to contend with any reduction whatever of the present tariff.

The importations of foreign matches into the United States in 1903 amounted to $161,197, increasing to $219,169 in 1908, about 35 per cent in four years, or about 9 per cent per year increase, which based on a match man's unit would approximate about one carload of matches per day, which quantity would be termed a very good output for an independent match factory.

In the year 1904 $230,867, or about 50 per cent increase over 1903, worth of foreign matches were brought into the United States, and with my knowledge of conditions I make the assertion that this quickly increased percentage over 1903 was cut down in the following years only by increased facilities of the independent match manufacturers and their ability to invent more economical machinery

that enabled them to meet the competition with present tariff on foreign matches, both in quality and style. Had the present tariff not been such as to give the home manufacturers this opportunity to invent competitive machinery, there is no question whatever in my mind but the imported matches would have increased every year 50 per cent, as it did in 1904 as against 1903.

The independent match manufacturers are not afraid of competition at home, but the low-priced imported matches that come into the United States mainly from such countries as Austria-Hungary, Belgium, Germany, Italy, England, Norway, Sweden, Russia, and Japan, where they use in factories of our character the very lowest-priced labor obtainable, there being but very little so-called skilled labor employed in foreign match factories. I am told by old-country match employers that in most of the factories abroad women do the work for 50 cents per day which men get $2 for doing in the United States.

Since I started the Illinois Match Company seven years ago the wages of our employees have been increased up to the present time in every department 15 to 25 per cent, while the price on matches is 10 per cent lower in some sections than in 1901, and I feel quite confident that this statement will be borne out by every other independent match manufacturer who was in existence at that time, as well as the Diamond Match Company. We are to-day paying such of our employees as are at the head of the various departments from $2.50 to $4 per day, while our common laborers around the factory get $1.75 to $2 per day, while from the best information obtainable I learn that the employees in foreign match factories working in the same relative positions get 40 to 75 cents per day and common labor 25 to 35 cents.

Notwithstanding the present tariff on imported matches, the price on an average has been lowered by foreigners on a number of sizes as much as 40 per cent within the last ten years, their ability to do so no doubt being brought about either by the lowering of their wage scale or willingness to sell their product on a *smaller* (I emphasize the word "smaller") margin of profit or both; yet they are just as solicitous to-day for business in the United States on a certain size, which they export largely into the United States at 23 cents per gross, c. i. f. (paying 8 cents duty), as they were ten years ago at 40 to 45 cents per gross. They have, by such reductions, forced the home manufacturer to sell this size at the same price, therefore causing loss to most, if not all, of the home manufacturers, a condition that home manufacturers can not get away from, as the buyers insist that they must be supplied with this same size and at the same price of foreigners, otherwise they will not buy certain large sizes from us on which we can make a little money. I believe I am stating nothing but facts when I say, commercially speaking, that there are no matches made abroad that we can not or do not make here.

Almost everything that goes into the manufacture of matches is much higher than it was ten years ago, and nearly everything in the way of raw products is continuing to cost a little more, generally speaking, each year.

Our home competition has brought the price down to the consumer where he can to-day buy 200 matches for a penny; ten or fifteen years ago he paid 3 cents for this quantity. Consequently I feel that, instead of any reduction of the present tariff on matches, that it should

be raised, thereby permitting us to make a fair profit on our investment, so that we can continue paying our labor in the United States a decent wage instead of 40 to 75 cents per day maximum paid by the foreigners.

The foregoing we trust will have your due consideration, and that the Ways and Means Committee will recognize at once the position in which the independent match manufacturers will be placed should there be any reduction whatever on foreign matches imported into the United States.

Yours, very respectfully,

THOS. CADWALLADER,
Vice-President Illinois Match Co., Joliet, Ill.

THE DIAMOND MATCH CO., OF NEW YORK, ASKS INCREASE IN DUTY ON MATCHES TO MEET FOREIGN COMPETITION.

NEW YORK, *December 16, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We respectfully ask your consideration of that portion of the tariff law fixing the import duty on matches, paragraph 423 of which is as follows:

Matches, friction or lucifer, of all descriptions per gross of 144 boxes containing not more than 100 matches per box, 8 cents per gross; when imported otherwise than in boxes containing not more than 100 matches each, 1 cent per 1,000 matches.

We ask that this paragraph be revised to read as follows:

Matches, friction or lucifer, of all descriptions per gross of 144 boxes containing not more than 100 matches per box, 12 cents per gross; when imported otherwise than in boxes containing not more than 100 matches each, 1½ cents per 1,000 matches.

There are about 15 or 16 companies engaged in the manufacture of matches in the United States, but the business is not one that has been generally profitable. While it is true the Diamond Match Company has been successful, it has been only because its constantly increasing volume of business has more than counterbalanced the steady increase in the cost of manufacture. In the production of matches white pine is almost exclusively used for the match stick or splint, because of its free-burning nature, its quick absorption of paraffin, and generally attractive appearance to the consumer; but, by reason of the continued advance in the price of lumber and labor, the cost of the stick has increased 70 per cent in the past ten years. During the same period all other materials, as well as labor employed in the manufacture of matches, have advanced greatly. Nevertheless the Diamond Match Company has made no corresponding advance in the selling price of its matches, nor were its prices advanced at the time the present tariff law went into effect. On the other hand, the company has relied for its profit upon its increased volume of business, due to the increasing consumption of matches, for, since the year 1890, while the population of the United States has increased but about 43 per cent, the consumption of matches has, it is estimated, increased nearly 150 per cent.

Matches are manufactured extensively in Great Britain, Sweden, Denmark, France, Belgium, Germany, Austria, Switzerland, Russia, Italy, and Japan. In all countries substantially the same ingredients are used for the composition of the head. The match stick or splint, however, as well as the box containing the match, are made of different materials in different countries, depending upon the materials available, the cost of such materials, and the requirements and demands of the trade. In the match-producing countries of continental Europe aspen, from Russia, is employed almost entirely for the stick or splint, and, up to the present time, it has been possible to obtain this wood at a low price. The season during which navigation is open and during which shipments of aspen logs may be made from Russian ports is short; furthermore, the wood begins to deteriorate very soon after it has been cut. For this reason, and for the further reason that under existing conditions it is impossible to contract for a supply for a number of years to come, The Diamond Match Company has not considered it practicable to buy aspen logs in Russia and import them into this country, nor has it felt justified in establishing a plant in Russia for the manufacture of match sticks or splints to be shipped into this country to be used in the manufacture of matches. It has, therefore, in the production of sticks or splints adhered to white pine, which costs appreciably more than the aspen used by match manufacturers in other countries. Consequently, its foreign competitors operate under a great advantage because of their ability to obtain, up to the present time, in a country comparatively near by lumber for match sticks or splints at a price much less than that which match manufacturers in this country are required to pay for the white pine they use. Even assuming, however, that it would be practicable to manufacture or buy match splints in Russia to be shipped into this country, a duty of 35 per cent would be levied thereon, as required by the existing law. In addition to the match stick or splint, the more important materials employed in the manufacture of matches are as follows:

Strawboard or box board, on which there is a duty at present of 25 per cent;

Pulp board, on which there is a duty of 25 per cent;

Wrapping paper, on which there is a duty of 25 per cent;

Glue, on which there is a duty of 2½ cents per pound when costing less than 10 cents per pound, and 25 per cent when costing more than 10 cents per pound;

Ink, on which there is a duty of 25 per cent;

Phosphorus, on which there is a duty of 18 cents per pound;

Chlorate of potash, on which there is a duty of 2½ cents per pound;

Coloring materials, on which the duties range from 25 per cent to 35 per cent;

Brimstone, on which there is a duty of $8 per ton;

Flint, on which there is a duty of 35 per cent;

Whiting, on which there is a duty of one-fourth cent per pound.

The materials other than lumber used in the manufacture of matches in the match-producing countries of continental Europe will be found to cost less in such countries than in the United States by about the amount of duty that it would be necessary to pay on such materials if imported into this country. In point of fact, some of

the material used by The Diamond Match Company, in the manufacture of matches, notably glue, is imported. Scotch or Irish glue has been found to be more uniform and greatly superior to that produced in this country, due apparently to the greater care used in the selection of the stock from which it is made, and due also to the climatic conditions surrounding its manufacture.

In respect to labor, the average wage rate in match factories in the countries in continental Europe is only about 30 per cent of the wage paid in this country to the same class of operators. In England, where the wage rate is higher than on the Continent, there are over 600 girls employed in one of the prominent match factories, whose average weekly wage is 9 shillings 9 pence, whereas the average weekly wage rate of girls paid by The Diamond Match Company is about $7.50. The match manufacturer in continental Europe, therefore, has advantages over the match manufacturer in the United States because of his ability (1) to secure lumber at a price materially less than that paid in this country for white pine; (2) to obtain other materials used in the manufacture of matches at a price less than the manufacturer in this country is required to pay by about the amount of duty on such materials; and (3) to employ labor at about 30 per cent of the price paid in this country for the same class of labor.

So far as the export trade in matches is concerned, the volume is almost negligible; from time to time The Diamond Match Company has sought to enter the field in South American countries, and while an occasional order has been secured, it has been unable to make any headway or come anywhere near meeting the prices of foreign-made matches.

We have heretofore confined our remarks to the conditions surrounding the production of matches in the match-producing countries of continental Europe. In reference now to the match situation in Japan, we invite your attention to a report of Consul John H. Snodgrass, published in the Daily Consular and Trade Reports of November 20, 1908, as follows:

It is learned through the Osaka papers that a leading Japanese match-stick company is arranging to secure capital from the Swedish match trust. It is explained that Swedish match manufacturers, the principal match manufacturers of Europe, have cut down almost all the Scandinavian trees available for match sticks, and that they are now getting a supply of wood from Russia, where the supply is also falling short.

The trust formed in 1906 by eighteen match manufacturing companies of Sweden for the sale of matches has been quite successful, and it has been able to overcome the Japanese match competition in India. The Swedish trust, at the opening of such a brilliant future for its business, has begun to feel anxious regarding the sources of its future supply of wood for match sticks. Learning that Japanese match manufacturers, who have repeatedly failed in attempts to form a combination, are anxious to secure foreign money, and also that there is an abundant supply of match-stick wood in Japan, the Swedish syndicate has made investigations into the position of the industry in this country. Satisfied with the result of the investigations, the trust decided to invest money in the industry in Japan, and negotiations were entered upon with several Japanese companies. A proposal was made that the Swedish trust should take half the amount of the capital of the Japanese match-stick company already referred to, but in view of the depression of business in Japan the trust hesitated to agree to the proposal. Negotiations for the combination between the trust and the Japanese company have, however, again been opened. If the combination is successfully arranged, a large export of match sticks will result, and in that case the price in Japan will rise and the match industry, which is already suffering from the depression of trade, will be reduced to an even worse position. Therefore, manufacturers outside the proposed combination have been holding conferences to consider the course to be taken.

The leading match manufacturers of Kobe and Osaka are considering a proposal to incorporate the industry into one company, and, if possible, to obtain a charter to

monopolize the export of matches, this effort having been brought about by the alarming decrease of trade. There are 124 match factories in Kobe and Osaka. Of this number 13 in Osaka and 17 in Kobe have temporarily suspended operations, the output of matches falling off considerably in consequence. A local publication states on authority that the market in China and elsewhere in the Far East for Japanese matches (large sticks) has been largely encroached upon by Swedish and German matches. The export of Japanese matches so far this year shows a decrease of 40 per cent, as compared with the corresponding period of last year, and the outlook is considered almost hopeless unless united efforts are made by the companies to relieve the situation. It is expected that the amalgamation scheme will come to a successful issue. The total value of matches exported from Kobe and Osaka were as follows in 1906 and 1907: Kobe, $4,207,413 and $3,517,189, respectively; Osaka, $1,212,932 and $1,115,469, respectively.

Up to this time, as Mr. Snodgrass states, the match industry in Japan has been disorganized, and apparently but little capital has been available for the purpose of developing it and of establishing large plants. Due to the inferior character of the match heretofore produced there, relatively few have been imported into this country, and such small quantities as have been imported from time to time have been unsatisfactory. If, however, Swedish capital be invested in the business and the well-demonstrated ability and skill of the Swedish manufacturers be utilized in developing the match industry in Japan and in manufacturing such types of matches as the trade in this country demands, Japan will, by reason of the low cost of labor and of the lumber available for the manufacture of the match stick or splint, be able to produce matches at a price so greatly less than any other country that it could sweep the markets of the United States. While the rate of wages paid in match factories in England and on the Continent appears low as compared with the wages paid in this country, they appear high in comparison with the wages paid in Japan. Lumber suitable for the manufacture of matches can be obtained in Japan for greatly less than the amount we are required to pay for white pine in this country. The possibilities of the match industry in Japan were so well appreciated at the time the tariff duties were established in the Philippine Islands that the import duty on matches was fixed by the Philippine government at a figure that will be found to be approximately four times that now imposed by the United States Government.

If, as we contend, conditions are such as to justify an advance in the present tariff against the match manufacturers of continental Europe, how much more warrant is there for this contention in the face of the likelihood of the development of the match industry in Japan?

Practically the only type of match imported into this country is the safety match; it can be bought f. o. b. New York, duty paid, packed in zinc-lined cases, for 32 cents per gross of 144 boxes, each box containing about 60 matches. This is below the factory cost (eliminating entirely administrative, selling expenses, and profit) of a similar match made in this country of white pine, in the same kind of a box, containing the same number of matches per box, and packed in zinc or tin lined cases. An advance in the duty of from 8 cents to 12 cents per gross, or about one-half cent per thousand matches, would not, in our judgment, reduce importations nor work any hardship on the consumer, nor could it affect the price of parlor and double-dip matches, which form 95 per cent or more of the consumption of matches in this country. We ask, therefore, that the tariff on matches be increased from 8 cents to 12 cents per gross when packed in boxes containing

less than 100 matches per box, and from 1 cent to 1½ cents per 1,000 when imported otherwise than in boxes containing not more than 100 matches each.

Respectfully submitted.

THE DIAMOND MATCH CO.,
O. C. BARBER, *President.*

AMMUNITION.

[Paragraph 424.]

VON LENGERKE & DETMOLD, OF NEW YORK CITY, THINK THE DUTIES IMPOSED ON AMMUNITION PROHIBITIVE.

349 FIFTH AVENUE, NEW YORK, N. Y.,
November 13, 1908.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: As hearings on the proposed revision of the tariff have begun, we respectfully submit the following with a view of seeking redress from what we consider unjust and excessive duties applying to some articles in our line of business, and furnish facts and information showing why we call them unjust and excessive.

We refer especially to empty shotgun and loaded rifle ammunition, and also to guns, rifles, and revolvers in general.

The tariff duties on above ammunition have been practically prohibitive, and for a good many years have been the means of creating and fostering one of the most complete monopolies and most powerful trusts in this country, namely, the Ammunition Manufacturers' Association, a combination of the Union Metallic Cartridge Company and Winchester Repeating Arms Company and one or more smaller concerns controlled by above. These factories furnish fully 95 per cent of all the ammunition sold and used in the United States. There is only one independent company making a more or less complete line of goods, namely, the Peters Cartridge Company, and they have a business understanding with above and are obliged to conform minutely to prices and terms of the manufacturers' association.

The above firms have for many years controlled the various dealers of ammunition in this country absolutely and arbitrarily. For years the dealers were forced to sign "cast-iron" agreements not to deal in any other makes of ammunition, domestic or foreign, or to be cut off from the wholesale list and forfeit rebates which had accumulated on sales running as far back as six months. As the rebates, amounting to about 10 per cent, were in nearly all cases the whole profits the dealers could figure on, and as no other goods were procurable, importing them being out of the question on account of the duties, it left the dealers helpless in the matter. In recent years, in order not to conflict with the antitrust laws, the agreements between the cartridge trust and the trade were somewhat changed in phraseology—i. e., calling "rebates" now "salaries," etc.

The duties on ammunition range from 35 to 45 per cent ad valorem.

The two companies owning the manufacturers' association—the Union Metallic Cartridge Company and the Winchester Repeating Arms Company—turn out more goods, barring government ammunition, than all the ammunition factories in England, Germany, and France together. The quality of the American goods being as good as any, there can be no valid claim now for protection on account of an infant industry. The labor-saving machinery used for the manufacture of cartridges is nowhere better and more complete than here. This enables the American manufacturers to turn out goods cheaper than goods of equal quality can be made in Europe, in spite of the slight difference in cost of labor. It has further enabled the American manufacturers to successfully compete with the European manufacturers on their own ground at their own prices by selling their products to foreign countries at much cheaper prices than American dealers can buy their products here. On the other hand, competition by dealers in the United States with foreign-made cartridges is impossible, owing to the excessively high duties.

The result of above has been that while the American dealers are forced to do the bulk of their ammunition business at a promissory profit of 10 per cent and the American public has to pay from 20 to 30 per cent more than it ought to, the American cartridge manufacturers' monopoly is making millions of dollars per annum and has turned out several multimillionaires.

We wish to mention a couple of incidents illustrating the injustice worked out by excessive tariff and the practice of selling American-made ammunition cheaper to foreign than to American trade, and show the abuses resulting from the fact that American dealers are absolutely dependent upon the pleasure of the excessively protected and favored American monopoly.

We are ready to make an affidavit that some years ago we bought of a party in Canada a large quantity of empty shotgun shells which were ordered by and sold to the Canadian parties by the above American manufacturers much cheaper than we or other American dealers could buy them at. Freight was paid on these goods to Canada; the expenses of having a man on the Canadian border to intercept these goods were paid; return freight to New York was paid; and the goods were sent back to us in New York City. The Canadian parties who ordered the goods made a commission, and yet we landed these goods back in New York at a net cost considerably less than we or other American dealers could buy them at from the discriminating American manufacturers. We believe the same thing could be engineered to-day.

We have never given publicity to the above before, but business, economic, or tariff conditions, which will make such tactics possible, are unhealthy and unjustifiable. Another incident is of a more recent date and concerns our firm vitally. We have been the pioneers in many of the more important improvements in shotgun ammunition, and were one of the first to load shotgun ammunition for the trade in larger quantities. As soon as our business had increased to decent proportions, the American manufacturers took up the loading of shotgun ammunition themselves. By simply increasing the cost of the empty shells and wads, necessary for making loaded ammunition, the business of outside loaders has been choked off most effectually.

In order not to lose our identity and individuality entirely we have continued pushing certain trade-marked brands of shells. The business in these trade-marked shells represents many years of hard work and many thousands of dollars worth of advertising on our part. Last year the cartridge trust refused to further make our trade-marked goods, which action placed us in a position to either abandon the business built up by us during twenty-five years of active business work or to have trade-marked goods made up in Europe, pay the excessive protective duty, and sell them here at cost in order to keep our specialties alive. We chose the latter, which, owing to a duty of 45 per cent on empty shotgun shells and heavy freight on account of goods being bulky, has proved a losing venture. This year the American makers—probably afraid of the action of the Government in investigating "trusts"—have again accepted our orders for our special goods, in order, as they say, to stop the importation of goods for this market.

We also wish to go on record that the duties on shotguns, rifles, and pistols are excessive. Most of these goods are sold cheaper to European customers than they are here. These goods, owing to better machinery, are being made as cheaply here as abroad, as many thousands of American-made rifles, etc., are successfully sold in Europe in competition with European-made arms, while competition with European goods here is extremely difficult. Much less revenue has been received by the Government during the last few years from duties on above goods than formerly, when the duties were not so excessive.

Hoping that the above will receive due consideration by your committee and assuring you that we shall be pleased to furnish you any further information your committee may ask for, we are,

Respectfully, yours,

VON LENGERKE & DETMOLD.

THE UNION METALLIC CARTRIDGE COMPANY, BRIDGEPORT, CONN., STATES THAT THERE IS NO MONOPOLY IN THE MANUFACTURE OF AMMUNITION.

BRIDGEPORT, CONN., *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

DEAR SIR: Our attention has just been called to extracts from a letter addressed to your committee by Messrs. Von Lengerke & Detmold, of New York City, upon the subject of what they claim to be excessive duties on ammunition and other goods in their line of business. The said letter contains so many incorrect and exaggerated statements that we desire to at once put before your committee the following facts:

1. Messrs. Von Lengerke & Detmold is a small firm doing a retail business in firearms, ammunition, sporting goods, fishing tackle, cameras, etc. It has several foreign agencies for goods in its line and in self-interest is evidently desiring to increase its foreign connections and affiliations without regard to the effect of such desire upon a large and important American industry.

2. Present tariff duties on cartridges are not prohibitory, as shown by the yearly importation for the past five years, averaging from $100,000 to $150,000 per annum.

3. There is no monopoly in the manufacture or sale of American ammunition, neither is there any combination or association of manufacturers, and there has been no such association for a considerable period.

4. The Union Metallic Cartridge Company has no connection or moneyed interest whatsoever in the Winchester Repeating Arms Company, neither has it any connection or moneyed interest in any other manufactory of ammunition.

5. The Union Metallic Cartridge Company has no business relations or understandings with The Peters Cartridge Company, of Cincinnati, but, on the contrary, The Peters Cartridge Company is an active competitor and is not obliged to conform to any fixed prices and terms, but, being strictly independent, markets its product at its own prices and upon its own terms.

6. There are at the present time in this country the following manufacturers of ammunition between whom, so far as we are informed, there exist no relations other than those of active competitors:

Winchester Repeating Arms Company, New Haven, Conn.; The Peters Cartridge Company, Cincinnati, Ohio; United States Cartridge Company, Lowell, Mass.; Western Cartridge Company, East Alton, Ill.; National Cartridge Company, St. Louis, Mo.; Robin Hood Cartridge Company, Swanton, Vt.; The Union Metallic Cartridge Company, Bridgeport, Conn.

The customers of the Union Metallic Cartridge Company are not required to sign agreements of any kind or character, neither have they been for a long period. The profit to merchants on this product is arranged by The Union Metallic Cartridge Company through the payment of reasonable commissions at stated periods, this being the popular and usual method of marketing trade-marked goods of various kinds, and the only method found whereby merchants are safeguarded against ruinous local competition.

7. The statement that The Union Metallic Cartridge Company and the Winchester Repeating Arms Company turn out more ammunition than all the ammunition manufacturers of England, Germany, and France is wholly incorrect.

8. The statement that American manufacturers of ammunition employ machinery equal in efficiency to that used in other countries is doubtless true, but it is also true that labor in the United States, which enters largely into the cost of the manufacture of ammunition, is better paid by at least 100 per cent than similar labor in Europe, resulting in the production of ammunition of the highest quality, but at correspondingly greater cost.

9. Foreign ammunition is sold in Europe, South and Central America, and other countries in quantities far greater than is American ammunition, the foreign product being manufactured at a much less cost on account of cheaper materials of all kinds, especially lead, and of cheaper labor.

10. American ammunition is sold only in foreign countries where American firearms are used and where superior ammunition made expressly for them is appreciated, but invariably at much higher prices

than ammunition made in Europe. This statement is proven by the value of American ammunition exported to foreign countries not exceeding in value from 5 to 8 per cent of that sold in this country.

11. Prices of American ammunition are not excessive; neither are they unduly enhanced because of the present tariff, which fact is well known by those most familiar with the line of manufacture. We know of no other line employing so large capital and skill where actual returns are less, without considering the not infrequent injury to life and property incident to the manufacture of explosives.

12. Ammunition manufactured by The Union Metallic Cartridge Company is sold to merchants in Canada, and has been for a long period, at exactly the same prices and upon the same terms as to merchants in the United States.

13. The reference made to special brands or trade-marked shotgun shells covers an item too insignificant to mention, except to say that the entire value of these goods has for many years averaged but a few hundred dollars.

14. We respectfully submit that any reduction whatsoever in the tariff on ammunition would very seriously injure American manufacturers of this commodity, and we express the hope that no change will be suggested by your committee without full investigation of what the result would be.

Yours, respectfully,

THE UNION METALLIC CARTRIDGE COMPANY,
WILLIAM J. BRUFF, *President.*

THE UNITED STATES CARTRIDGE COMPANY, NEW YORK CITY, STATES THAT IT SELLS ITS GOODS INDEPENDENTLY.

NEW YORK, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

DEAR SIR: We understand that a letter has been presented to your committee by Messrs. Von Lengerke & Detmold, of this city, to the effect that we, as manufacturers, are in some way connected with or subservient to other manufacturers in this line, or to a so-called association, and that this is one of the arguments used for a reduction in the tariff on goods in this line.

We can simply say in regard to this matter that the United States Cartridge Company sell their goods independently and at prices that in many instances are more favorable to the purchaser than those of some other manufacturers.

The cartridge industry is an important one to those interested in it, although its volume is quite insignificant in comparison with many others. However, what business is done in this country in the ammunition line has been made possible only by means of a reasonable tariff, which if reduced would certainly retard if not entirely destroy a business that has taken many years to build up.

It is our earnest hope, therefore, that your committee, in considering this subject, will not give undue importance to any of the statements made by Messrs. Von Lengerke & Detmold, which is a foreign firm, or rather is composed of Germans whose interests are profor-

eign, and who would evidently like nothing better than to see such reduction in the tariff as would enable them to import heavily in this line and become an important factor, which they are not at the present time.

Yours, truly,

UNITED STATES CARTRIDGE CO.,
U. T. HUNGERFORD, *Agent.*

THE WINCHESTER REPEATING ARMS COMPANY, NEW HAVEN, CONN., FILES STATEMENTS RELATIVE TO AMMUNITION.

NEW HAVEN, CONN., *December 3, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: We understand that request has been made on your committee for alteration of the present tariff on cartridges, and we would respectfully request, in view of what we believe to be the fairness of the present tariff schedule, that no change be made.

The foreign manufacturer of cartridges is in a far better position than the domestic manufacturer when the price at which he may obtain labor and material is considered, and in outlining the same we would respectfully submit the following, based upon $100 worth (factory cost) of ammunition:

This $100 may be resolved as follows: Labor, $20; material, $80, including lead (33 per cent), $26.40; powder (30 per cent), $24; copper (17 per cent), $13.60; sundries (20 per cent), $16.

Of these factors the continental manufacturer pays for labor 70 per cent less than the American manufacturer, or $6; for lead, 30 per cent less than the American manufacturer, or $18.48; for powder, 25 per cent less than the American manufacturer, or $18. The other factors, copper and sundries, the continental manufacturer purchases on practically the same basis as the American manufacturer, viz, copper, $13.60; sundries, $16, making the cost to the continental manufacturer $72.08. To the cost to the continental manufacturer add a profit of, say, 12½ per cent, $9.01, and the present schedule duty of 35 per cent, $28.38, making the cost of the goods, duty paid, in New York, $109.47. To the American manufacturer's factory cost of $100 add a profit, as above allowed the foreign manufacturer, of 12½ per cent, making the market cost $112.50; this gives the continental manufacturer an advantage of $3.03 over the American manufacturer, or a little over 2¾ per cent on the present basis.

In the above the figures for labor are taken on the basis of operative labor wages in Berlin, the figures for lead from recent quotations (on this item the variation has even been far greater), for powder on the basis of black powder, with which the larger proportion of ammunition is loaded.

It might be argued that the basis is hardly fair in view of the fact that the foreign ammunition manufacturer does not take as much advantage of automatic labor-saving machinery as does the domestic manufacturer. This argument, while it might have held a few years ago will not hold to-day, and that the figures are not far incorrect is evidenced by the fact that the foreign manufacturer when he

does come into this country is pleased to sell his goods on the same or lower basis than those of the domestic manufacturer, and is apparently satisfied with the profit which he so obtains. That more of these goods of foreign manufacture do not reach this market is a matter of continual surprise to us, and were it not for the general belief that American manufactures in these lines are superior to the foreign brands, we believe that larger importations would result even under the present schedules.

Very respectfully,

WINCHESTER REPEATING ARMS CO.,
WINCHESTER BENNETT,
Second Vice-President.

THE WINCHESTER REPEATING ARMS CO., NEW HAVEN, CONN., FILES ADDITIONAL STATEMENT RELATIVE TO AMMUNITION.

NEW HAVEN, CONN., *December 3, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Our attention has been called to a statement by Messrs. Von Lengerke & Detmold, of New York City, filed with you, we believe, on Saturday last, November 28, and in justice to ourselves we feel that we must bring to your attention some glaring inaccuracies in that statement, which was doubtless presented as the result of purely personal consideration on the part of Messrs. Von Lengerke & Detmold, who are agents for and whose business is chiefly in the sale of foreign materials, including ammunition and guns, and who in their own advertising (see copy of their advertisement on the rear cover of the Sportsman's Review, issue of August 8, 1908, inclosed) have publicly announced that they are the sole agents in this country for Mauser guns and pistols, Mannlicher guns and pistols, Francotte, and Knockabout guns. The first two of the items above mentioned are of German manufacture; the Francotte gun being, we believe, of French manufacture, and the Knockabout an English gun. These parties have never, even as retailers, done a large business in domestic goods, in spite of the fact that they, so far as this company is concerned, have received the best prices which we accord to any.

That the tariff duties on ammunition have practically prohibited its importation we rather doubt, as to a certain extent it is imported; and where so imported comes on the market at a price lower than that of domestic manufacture. The fact that it is not largely sold in this country can be readily explained by the general belief that but little ammunition of foreign manufacture is equal in quality to the regular domestic grades.

The Winchester Repeating Arms Company manufactures and distributes its products entirely independent of any corporation, firm, or individual, and we know of no such control or collusion as the statements of Von Lengerke & Detmold would indicate. We believe there are in this country some eight factories manufacturing ammunition, four at least of which manufacture a very complete line of goods; and to the best of our knowledge these concerns are all manufacturing and marketing their goods independently of and without

other than due competitive regard to each other. The goods of these various companies are, we believe, all sold by the respective companies at more or less different prices.

While the volume of goods marketed by this company is undoubtedly large, it has recently been pretty thoroughly demonstrated that it is small indeed as compared to the output of European factories; nor is it surprising, in view of the small amount of game remaining in continental Europe, that the output of the continental factories is comparatively larger in military ammunition than in sporting ammunition.

With the statement that labor-saving machinery used in the manufacture of cartridges is nowhere better or more complete than in this country, we would willingly agree in general, although it is not always so, as is evidenced by the fact that the United States Government Arsenal at Frankford has recently gone abroad to purchase automatic machinery for loading ammunition; but the art of manufacturing ammunition is very thoroughly developed abroad, and in consequence of their cheaper labor costs (not 50 per cent of the labor cost in this country) the continental manufacturer has an advantage for which no amount of automatic machinery can entirely compensate.

That this country in some instances markets its goods in foreign countries at a lower price than they bring in this country is admitted. On the other hand, in many instances where our manufactures are fairly well known a larger price is demanded for them abroad than in this country; and where the export prices are lower than the domestic prices it can invariably be shown that it is to maintain our identity even at a loss in foreign markets, where, owing to foreign competition or unusual import duties, we would be completely shut out were we not to sacrifice our profit; and it must be borne in mind that the domestic manufacturer in preparing ammunition for foreign shipment takes advantage of the drawback customs arrangement and uses foreign lead, which, drawback being considered, can usually be purchased at 30 per cent below domestic lead.

Competition amongst American manufacturers in our lines is extremely keen, so keen that it renders it necessary that this company should not only employ a large force of salesmen and exploiters, but of necessity it must also expend large sums for advertising its product; and this condition is not peculiar to this company alone, but similar activity is noticeable among all the American manufacturers, between whom there is the stiffest and healthiest kind of competition.

As to the undue profit which it is claimed the American manufacturer has been making, it can be truthfully said that the net margin of profit so far as shot-shell ammunition is concerned has been for the past ten years less than 10 per cent; while if the whole line which they touch upon is considered (i. e., shot-shell ammunition, rifle ammunition, and arms), it can be authoritatively stated that the profits to this company for the past three years have been less than 15 per cent, and for the last year less than 10 per cent on net sales—which can not be regarded as excessive when the hazard in this line is considered. From this it will be plain to see how seriously even the slightest reduction in tariff upon these lines would affect the business of this concern at least. This concern has employed for the

past two years on an average of 5,500 people, who receive wages about double those paid abroad for similar employment.

As to the statement concerning the complainants' ability to purchase goods in Canada at prices lower than can be obtained in this country, we would state that our prices to Canadian customers are identical with those to our domestic trade, and the condition referred to, if the goods mentioned as purchased in Canada were similar in quality to those regularly on the market in this country, could not have obtained, so far as the manufactures of this company are concerned, at any rate, in the experience of the writer; nor do we believe that a similar purchase could be engineered to-day with regard to goods of any of the standard ammunition manufacturers of this country, who to the best of our knowledge and belief, like ourselves, make but one quality of their respective brands.

So far as the empty paper shot shells manufactured by this company are concerned, it can be shown that there has been no change in the price of the higher grade shells (those intended for use with heavy loads of smokeless powder) during the past six years, and the same is true of the intermediate grades (those intended for use with moderate loads of smokeless powder); while the grade of shells intended for use with black powder has not altered in price in more than eight years, notwithstanding greatly increased cost of labor and material during that period. While the complainants have not favored our company in recent years with their business in empty paper shot shells, they could have purchased such goods of our regular manufacture as they desired from this company at no greater price than we charged our other customers purchasing in similar quantity.

With regard to American arms being successfully sold in Europe in competition with European-made arms, we would call your attention to the fact that the arms manufactured by this company are marketed in Europe to but a limited extent, owing to the fact that the foreign market is flooded with lower priced arms, such as are now largely imported into this country. It is also a fact that no arms similar to those manufactured by us are made in Europe, which would undoubtedly account for our sales, as in many instances the lever-action form of repeating arm is preferred by the user to the military or so-called bolt system.

What the volume of the complainants' business in loading paper shot shells (this seems to be their chief cause for complaint) may have been we can not definitely state; but from our knowledge of the business it must have been comparatively small. This company is to-day loading over a million and a half rounds per day. That the complainants lost this business is hardly to be wondered at when it is considered that for their hand-loaded ammunition, put up in a shell identical to that regularly made by and placed upon the market by the manufacturer in loaded form—except possibly so far as the trade-mark is concerned—they attempted to obtain from $4 to $5 per hundred shells, while the larger regular American manufacturers placed these goods in the hands of the customer at from $2.50 to $2.75 per hundred. In the infancy of the shot shell loading business in this country their customers discovered that identically the same goods, loaded with the same powders with equal accuracy, and perhaps of superior finish, could be obtained from the manufacturers at from

one-half to two-thirds the price which they had been paying the complainants. Can it not be readily understood why they lost their trade, and did the condition which caused their loss of trade in any way work a hardship on the American public?

In closing, and to explain the chief cause of the complainants' position, we would again call your attention to the fact that they publicly announce that they are sole agents for a number of foreign manufacturers; and an examination of their stock would show that their other lines of goods of foreign manufacture are many and varied.

We believe it will be evident to you that the complainants' plea is not disinterested and is prompted by purely selfish motives.

Very respectfully,

WINCHESTER REPEATING ARMS CO.,
WINCHESTER BENNETT,
Second Vice-President.

EXHIBIT A.

[From Sportsmen's Review.]

Sole United States agents for the only genuine Mauser. Mauser automatic pistols, $27.50 net. Has stood severe government test more successfully than any other self-loading arm. One hundred and twenty shots possible within one minute. Sighted to 1,000 yards, extreme range a mile. Mauser sporting rifles, 7 mm. and 8 mm., $45 to $50.

Sole United States agents for Francotte guns, from $80 to $450 net. Knockabout guns, $60 net; with ejector, $85 net.

United States agents: The Mannlicher Schoenauer featherweight sporting rifle, made in two calibers—6.5 m/m, 256 bore; 9 m/m, 355 bore. Price, 6.5 and 9 m/m without telescope, $75; price, 6.5 and 9 m/m with telescope, $125. Von Lengerke & Detmold, 349 Fifth avenue, near Thirty-fourth street, opposite the Waldorf-Astoria, New York City, N. Y.

BLASTING CAPS AND SAFETY FUSE.

[Blasting caps, paragraph 424; safety fuse, dutiable according to the component of chief value.]

BRIEF SUBMITTED BY J. FRITZ BRIND, GENERAL MANAGER OF THE INSOLOID FUSE COMPANY, DENVER, COLO.

DENVER, COLO., *November 23, 1908.*

Hon. SERENO E. PAYNE, M. C.,
Chairman of Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We inclose herewith a brief statement showing why the duty on blasting caps should be made the same as sporting caps—30 per cent ad valorem—and safety fuse reduced from 35 and 45 per cent to 10 per cent, and hope your honorable committee will recognize the justice of our claim by making the necessary change in the proposed new tariff bill.

We may add for your information that A. H. Merritt, of the Coast Manufacturing and Supply Company, referred to in the inclosed

letter from San Francisco, is merely a figurehead, being simply an employee of the Ensign-Bickford Company, which, as stated elsewhere, controls and owns all the fuse factories in this country.

Blasting caps.

Blasting caps have a specific duty under the present tariff law (par. 424) of $2.36 per 1,000. Triplex caps, which are mostly used in this country, can be bought in Germany for 8 marks ($1.90) per 1,000, making the present duty thereon 125 per cent. In Denver the same grade of domestic cap is now sold by the Du Pont Powder Trust at $5.50, nearly three times as much as the present price in Germany, because there is no foreign competition in this country.

Some time ago we imported a lot of German caps at the present high rate of duty, but as soon as we tried to market the goods the price of domestic caps was made so low that we had to sell at less than cost in order to get rid of them.

The same rate of duty should be placed on mining caps as on percussion caps used for sporting purposes—30 per cent ad valorem—so that the working miner could have the same benefit as those who go gunning for "Teddy Bears," and to such a fair proposition no reasonable Member of Congress could possibly object.

Besides, fulminate of mercury used in the manufacture of all mining caps in this country is imported from Canada, at an ad valorem rate of 30 per cent, while the copper used in most of the caps made abroad is exported from this country, and when brought back in the shape of the manufactured article is subject to the outrageous duty of 125 per cent.

Safety fuse.

Safety fuse, with a gutta-percha covering, is admitted under paragraph 450, as manufactures of gutta-percha (that article being the component material of chief value), at 35 per cent ad valorem. Fuse, in which the chief value is cotton, is dutiable at 45 per cent under paragraph 322.

Double tape fuse, the kind generally used in this country, was for several years (before the consolidation of the four companies in California went into effect, and now controlled by the Ensign-Bickford Company, known as the "fuse trust") shipped into various points of Colorado from San Francisco, at a net return to the manufacturer of $1.75 per 1,000 feet, and upon which they, even then, made a profit.

The present price under the trust, at the factory, is more than double that figure, as shown by the accompanying price list of the Dupont powder trust.

Precisely the same article is shipped to Mexico from New York at $2.75 per 1,000 feet, as per letter of Schaefer Hermanos herewith.

In our opinion, fuse can be made cheaper in this country than abroad, because of the improved machinery introduced within the last few years and the greater intelligence of the operators, although only 10 per cent of those employed can be regarded as skilled laborers, most of the work being done by automatic machinery, very much the same as is the case in watch factories, where most of the operatives are girls, getting as low as $5 per week.

Then, again, the materials cost less than in Europe. For instance, cotton in this country is a domestic product, while in Europe it is imported.

Inasmuch, therefore, as the fuse trust is controlled and owned by the Ensign-Bickford Company, of New York, and Simsbury, Conn., and that the net profits of the combination now exceed 100 per cent, the duty on all classes of fuse should be specially provided for under the new law, and the rate of duty, if not removed altogether, should be reduced to at least 10 per cent ad valorem.

INSOLOID FUSE COMPANY,
J. FRITZ BRIND.

EXHIBIT A.

[The Ensign-Bickford Company, 261 Broadway, New York City.]

SIMSBURY, CONN., *May 16, 1907.*

To the Customers of the Climax Fuse Company.

GENTLEMEN: The stockholders of the Climax Fuse Company having decided to dissolve that corporation, the business is to be taken over by the Ensign-Bickford Company, of Simsbury, Conn., which has purchased all the assets and good will of the Climax Fuse Company.

No change has been made in the management, and all the officers of the Climax Fuse Company are now connected with this company.

The Ensign-Bickford Company will continue to manufacture every variety of fuse hitherto made by the Climax Fuse Company.

Hoping for a continuance of your patronage,

We are, very truly,

THE ENSIGN-BICKFORD COMPANY.

Orders sent to New York office, 261 Broadway, or to Simsbury will receive prompt attention.

EXHIBIT B.

[The Ensign-Bickford Company, manufacturers of fuse, Simsbury, Conn., Hartford County. New York office, 261 Broadway. Factories, Simsbury and Avon. Ralph H. Ensign, president; Joseph R. Ensign, first vice-president; Henry S. Chapman, second vice-president; Lemuel S. Ellsworth, treasurer; Charles E. Curtiss, secretary. Directors: The officers.]

AUGUST 12, 1907.

A joint stock company organized under the general laws of Connecticut April 26, 1907, with an authorized capital of $1,600,000, divided into 16,000 shares of $100 each. The certificate filed gives the following names as incorporators:

	Shares.
Ralph H. Ensign, Simsbury, Conn	3,714
Joseph R. Ensign, Simsbury, Conn	1,320
Henry S. Chapman, Glen Ridge, N. J	2,000
Lemuel S. Ellsworth, Simsbury, Conn	1,600
Charles E. Curtiss, Simsbury, Conn	1,360
Marie Davey, trustee, Rouen, France	2,069
J. C. Bickford Smith, Red Brook, Cambonie, England	1,882
W. N. Bickford Smith, Trevarno Helston, England	1,710
Albert H. Merritt, Elmhurst, Cal	342
Joseph R. Ensign, trustee, Simsbury, Conn	3
	16,000

This corporation succeeds to the business which has been conducted under style Ensign, Bickford & Co. at Simsbury, Conn., the business having been established at this place in 1836 under style Toy, Bickford & Co. Mr. Toy died April 2, 1887, and the business has since been conducted by relatives who were interested in the estate, also William Bickford Smith or his heirs of Helston, England, and Robert S. Davey or his heirs, of Rouen, France.

Since incorporation the company has purchased the fuse business which has heretofore been conducted by the Climax Fuse Company, with headquarters and office in New York City and factory at Avon, Conn. A statement in detail can not be obtained. Certificate filed indicates, and the treasurer also states, that the capital stock is fully paid.

The business for many years has been regarded as one of the most successful in this vicinity, and has now been increased by the addition of the Climax Fuse Company, which company was owned and controlled by individuals who were connected with Ensign, Bickford & Co. It is claimed by the officials and fully believed by authorities that this company has capital at command and universally takes advantage of cash discounts, and the company is considered entitled to the highest credit rating on the basis of its paid-in capital.

EXHIBIT C.

BERKELEY, CAL., *November 18, 1907.*

Please be advised that effective immediately the following prices for fuse per 1,000 feet will apply:

Fuse.

[F. o. b. San Francisco, Cal.]

Grade.	List price.	Grade.	List price.
American Eagle	$5.00	Bear Brand	$4.30
Triple Tape	4.75	Tryme Brand	4.30
Victor Brand	4.50	Single Tape	3.85
Double Tape	4.30	Blue Label	3.50

DISCOUNTS.

Carloads (minimum 210 cases), 10 per cent and 7½ per cent.
Lots of 300,000 feet, 10 per cent and 5 per cent.
Lots of 90,000 feet, 10 per cent.
Lots of 30,000 feet, 7½ per cent.
Lots of 6,000 feet, 5 per cent.
Less than 6,000 feet, net.
Terms: Sixty days, less 2 per cent for cash in thirty* days.

Yours, very truly,

E. I. DU PONT DE NEMOURS POWDER CO.

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*Now ten days.

EXHIBIT D.

SAN FRANCISCO, *August 14, 1907.*

MR. THEO. G. SMITH,
Cashier, The First National Bank of Denver,
Denver, Colo.

DEAR SIR: We have received your favor of the 8th instant asking us for information regarding the C. M. & S. Co. We are informed that this company is a manufacturer of fuse, and the president is Mr. A. H. Merritt and the secretary Robert McGill. The works are located at Berkeley, Alameda County, this State. The company was formed by a consolidation of the following fuse companies, namely, Ensign-Bickford Company, California Fuse Company, Western Fuse Company, and the Metropolitan Fuse Company, the last three being California corporations. We are also informed that the rating of this concern is very high and that any contracts entered into by them would be fully carried out, and amongst the stockholders of this company are some of the most prominent stockholders of E. I. du Pont de Nemours Powder Company. Altogether the concern is very highly spoken of, and we have not heard of any reason why the above facts should not be approximately correct.

In case you wish us to get any further information of this company, kindly inform us and we will be only too glad to go into the matter further.

Yours, truly,

E. L. JACOBS, *Assistant Cashier,*
Wells Fargo Nevada National Bank of San Francisco.

EXHIBIT E.

PARRAL, *July 7, 1908.*

THE INSOLOID FUSE CO. (LTD.),
Denver, Colo.

GENTLEMEN: We refer to your favor of the 4th instant. At the present time—that is, rather dull—we are using about 25 boxes monthly, and we are handling only one grade—D. F. Climax fuse. As soon as the mines resume operations, we expect to handle considerable more fuse; and as the money scare seems to be over in the States, we expect better times in the near future.

The D. F. Climax fuse we are purchasing at $2.75 United States currency, by 1,000 feet f. o. b. New York, and with freight and duties the case of 6,000 feet costs f. o. b. Parral $39.70; gross weight per case 118 to 120 pounds. Net weight, 97 to 99 pounds.

Kindly quote us on the different brands you handle and send us by express or mail a roll or half roll of each brand, duly marked, so we can make a test of each one.

We believe that if you place some attractive figures before us, and your fuse gives good satisfaction, we will build a fair trade between us. You may quote us, if convenient to you, in sixty days' time or immediate remittance on receipt of the goods.

Awaiting your advice we remain,

Yours, very truly, SCHAEFER BROS.

GERMANIA IMPORTING COMPANY, OF NEW YORK CITY, RECOMMENDS DUTY OF TEN PER CENT ON SAFETY FUSE.

NEW YORK, *December 1, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

SIR: We are importers of safety mining fuse made in Germany. This article has no special classification in the present tariff, but the duty on the various kinds of mining fuse is assessed now as on manufactures of cotton 45 per cent, or on manufactures of hemp 45 per cent, or on manufactures of gutta-percha 35 per cent.

This article is used by nearly every individual miner in the United States and paid for out of his own pocket.

Mining fuse is manufactured in the United States in four factories, which are all owned or controlled by one concern, the Ensign Bickford Company, of Connecticut, in conjunction with the firm of E. I. Du Pont De Nemours Powder Company, of Wilmington, Del., the so-called "powder trust."

Mining fuse is manufactured by special automatic machinery and requires very little, if any, skilled labor. Most articles composing it, like cotton yarn and tar, are products of the United States, and are as cheap here as in England and Germany.

The manufacture of mining fuse at prices which the individual miners at present have to pay yields extremely large profits, far in excess of average legitimate manufacturing profits. The manufacturers of mining fuse sell such fuse for export to Canada and Mexico at prices much below the prices which they exact in the United States.

In view of the above statements, we respectfully ask your committee to place the various kinds of safety mining fuse, to wit, hemp fuse, cotton fuse, single-taped fuse, double-taped fuse, triple-taped fuse, and gutta-percha fuse, under a special classification subject to a duty of 10 per cent ad valorem.

Yours, very respectfully,

GERMANIA IMPORTING CO.,
GEO. STABER, *President.*

J. H. LAU & CO., NEW YORK CITY, ASK FOR LOWER DUTIES ON SAFETY FUSE AND BLASTING CAPS.

NEW YORK, *December 2, 1908.*

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: We are importers of safety mining fuse and blasting caps made in Germany and in other countries. Safety mining fuse has no special classification in the present tariff, but the various kinds are assessed now as on manufactures of cotton, 45 per cent; manufactures of hemp, 45 per cent; or manufactures of gutta-percha, 35 per cent. This article is used by nearly every individual miner in the United States and paid for out of his own pocket. Mining fuse

is manufactured in the United States in four factories, which are owned and controlled by one concern, the E. I. du Pont de Nemours Powder Company, of Wilmington, Del., the so-called "powder trust."

This fuse is manufactured by special machinery and requires very little if any skilled labor, and besides most articles composing it, like cotton yarn and tar, are products of the United States and are as cheap here as in England or Germany. The manufacture of mining fuse at prices which the individual miners at present have to pay yields extremely large profits, far in excess of the average legitimate manufacturing profits.

The manufacturers of mining fuse in the United States sell such fuse for export to Canada and Mexico at prices much below the prices they are asking in the United States. In view of the above facts, we respectfully ask your committee to place the various kinds of safety mining fuse, hemp, cotton, single tape, double tape, triple tape, and gutta-percha fuse in a special classification, subject to a duty of 10 per cent ad valorem.

With regards to blasting caps, the duty we are now paying under the present tariff is $2.36 per thousand, or virtually 125 per cent ad valorem. These caps are manufactured in this country by two factories, both of which are controlled by the E. I. du Pont de Nemours Powder Company, of Wilmington, Del., the so-called "powder trust," as stated before, and we respectfully ask you to place them on the same footing as ordinary percussion caps, i. e., a rate of duty of 30 per cent ad valorem.

Yours, respectfully, J. H. LAU & Co.

THE NATIONAL FUSE AND POWDER CO., DENVER, COLO., ASKS MAINTENANCE OF PRESENT DUTIES ON SAFETY FUSE.

DENVER, COLO., *January 10, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under the present tariff schedule, there being no separately classified duty on fuse, it is possible for foreign fuse manufacturers to secure a duty on fuse which varies from 30 per cent to 45 per cent ad valorem, under paragraphs 347, 349, and 350, according to the component material of chief value used in its manufacture, which arrangement is used as a basis for securing a low duty on fuse.

We maintain that for the proper protection of the American fuse industry and to place the American manufacturers on an even footing with foreign manufacturers who export to the United States, first, that there should be a separately classified duty on fuse; second, that this duty should not be less than 45 per cent ad valorem.

MATERIALS.

Practically all the different materials used in the manufacture of American-made fuse are the products of American labor.

Practically all the different materials used in the manufacture of foreign-made fuse are the products of foreign labor.

We offer the following comparisons of the prices of material prevailing in the United States and the extremely low prices of material prevailing in Europe:

	Prices in Europe.	Prices in United States.
Jute yarn	6¼ cents per pound	8 cents per pound.
Cotton yarn	16½ cents per pound	18 cents per pound.
Cotton cloth. (Unable to get quotations of similar quality.)		
Asphalt	$31.40 per ton	$23 per ton.
Sheet gutta-percha	38 cents per pound	50 cents per pound.
Glue	3½ cents per pound	10 cents per pound.
China clay	$6.50 per ton	$15.50 per ton.
Whiting	$6.20 per ton	$10.40 per ton.
Paper	3¼ cents per pound	4½ cents per pound.
Coal	$4.50 per ton	$4.65 per ton.
Powder	8.98 cents per pound	17.10 cents per pound.

LABOR.

Below we submit the following figures, showing the relative cost of labor prevailing in the United States and Germany, as ascertained by our superintendent, L. J. Beemer, who spent considerable time in the largest fuse factory in the Prussian Empire:

	Per hour.
Germany:	
Males	$0.068
Females	.028
United States:	
Males	.20
Females	.125

German fuse makers employ about 80 per cent females and 20 per cent males. United States fuse makers employ about 65 per cent females and 35 per cent males.

EFFECTS OF PRESENT TARIFF SCHEDULE.

The cost of material and labor in Germany makes it possible for one of the prominent German fuse manufacturers, whose competition we meet with daily, to quote their leading brand of gutta-percha fuse at $1.91 per 1,000 feet f. o. b. vessels at foreign point of shipment. This price includes the manufacturer's profit, the freight from factory to vessel, and loading charges on vessel. This quotation of $1.91 is but 63 per cent of our actual cost of manufacture, not taking into consideration the cost of placing the fuse on the market and a reasonable manufacturer's profit.

It also makes it possible for fuse importers and foreign manufacturers to sell fuse in the middle West at a price that we can not meet without quoting our fuse at actual cost.

It also makes it possible for the E. I. du Pont-De Nemours Powder Company and Giant Powder Company and J. Fitz Brind to bring German-manufactured fuse into Denver for distribution in the Middle West in such quantity as to practically equal the total sales of American-manufactured fuse sold in the Middle West.

In 1900 the National Fuse and Powder Company erected its plant at Denver, and it was equipped with fuse machinery and appliances imported from Germany under direction of L. J. Beemer, superintendent, who had previously spent considerable time in Germany in the largest fuse factory, learning the process of making gutta-percha

fuse. For five years this company manufactured, at a loss, gutta-percha fuse similar to the fuse now being imported, owing to the difference in cost of labor and material, and finally was compelled to discontinue the manufacture of gutta-percha fuse and discard all of the machinery which had been imported from Germany. The plant was then equipped with new machinery for the manufacture of taped fuses, which command a lower price on the market.

The present tariff schedule further offers the foreign manufacturer a dumping ground for their surplus product. One importer's quotations vary according to the price that can be obtained, providing that price is a trifle lower than the American manufacturer's price, thus demoralizing the market and making a reasonable profit impossible for the American manufacturer.

PROFITS OF BUSINESS.

Possibly the best proof we can offer to substantiate the above statements is the following fact:

That the National Fuse and Powder Company, meeting, as it does, the severe competition of foreign manufactured fuse, has shown quite a loss for the ten years it has been in existence, regardless of the fact that the plant of this company is modern in every way, with the latest and most modern equipment, and with the production of a fuse equal in quality with the foreign-made product.

We feel that to give a fair opportunity to American manufacturers and labor interests the duty should not be reduced, but that fuse should be given a separate classification and be placed upon the list at 45 per cent ad valorem.

Respectfully submitted.

THE NATIONAL FUSE AND POWDER CO.

THE ENSIGN-BICKFORD COMPANY, OF SIMSBURY, CONN., FILES BRIEF ADVOCATING RETENTION OF THE PRESENT CLASSIFICATION OF SAFETY FUSE.

SIMSBURY, CONN., *January 12, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Under the tariff schedule of 1897 fuse is not separately classified, and the rule for all fuses, except what is known as gutta-percha fuse, has been to class them under paragraph 347, manufactures of which the component material of chief value is hemp or other vegetable fiber, by which the duty is 45 per cent. This lack of separate classification has led to constant confusion as to the proper section under which duty should be levied and an effort on the part of the importers to have it classified under sections carrying less duty. They have convinced the custom-house that gutta-percha fuse should be classified under paragraph 450, the manufactures of which the component material of chief value is gutta-percha, thus taking the duty of 35 per cent. Recently they have secured a decision admitting gutta-percha fuse under paragraph 449, taking duty of 30 per cent, as a manufacture whose component material of chief value is india rubber.

Gutta-percha fuse is made in Europe in a variety of ways, using more or less gutta-percha, so that one classification or another may be applicable, according to the method of manufacture. We know of one prominent brand made there in which the component material of chief value by a large margin is cotton yarn. Furthermore, Bolas, a high chemical authority, says that balata is "only a better quality of gutta-percha, having identical chemical composition," and yet under the above Treasury decision it is used as a basis for securing a less duty on fuse. It is very desirable to end this indefiniteness and confusion by giving fuse a separate classification, applying the same rate of duty to all varieties.

MATERIALS.

The principal materials used in the manufacture of safety fuse with the present prices for same in Europe and the United States are as follows:

	Prices in Europe.	Prices in United States.
Jute yarn	6¼ cents per pound	8 cents per pound.
Cotton yarn	16¼ cents per pound	18 cents per pound.
Cotton cloth*		
Asphalt	$31.40 per ton	$23 per ton.
Sheet gutta-percha	38 cents per pound	50 cents per pound.
Glue	3¼ cents per pound	10 cents per pound.
China clay	$6.50 per ton	$15.50 per ton.
Whiting	$6.20 per ton	$10.40 per ton.
Paper	3¼ cents per pound	4¼ cents per pound.
Coal	$4.50 per ton	$4.65 per ton.
Powder	8.98 cents per pound	17.10 cents per pound.

*Unable to get quotations of similar quality.

Practically all the different materials used here are the product of American labor.

LABOR.

European fuse makers employ about 20 per cent males and 80 per cent females; American, 65 per cent males and 35 per cent females. The comparison of the wages paid in the United States per day with those paid in England is as follows:

United States.

	Per day.
Males	$1.60 to $2.00
Females	1.00 to 1.75

England.

	Per day.
Males	$0.75 to $1.00
Females	.37

Wages in Germany are about the same or less.

The above is for ordinary labor only. Skilled labor, of which a very considerable amount is required, we are obliged to pay from $2 to $5 per day.

IMPORTATIONS.

Under the present tariff a large quantity of fuse is imported. Owing to the fact that the fuse is not separately classified, there is no record kept by the customs service showing the total amount of

importation of fuse. However, we give below the principal importers into this country, with the amount of importation as far as we have been able to ascertain them.

Importers.	Approximate amount of annual importation.
Insoloid Fuse Co., J. Fitz Brind, president, Denver, Colo	7,500,000 feet.
E. I. du Pont de Nemours Powder Co., Wilmington, Del	14,000,000 feet.
Giant Powder Co., San Francisco, Cal	Unable to get figures.
Goodall & Perkins, San Francisco, Cal	Considerable.
Autolyte Manufacturing Co., New York City	Large quantity.
Darbyshire & Evans, El Paso, Tex	1,000,000 or 2,000,000 feet
Burton Powder Co., Pittsburg, Pa	Large quantity.
J. H. Lau & Co., New York City	Considerable.
Germania Importing Co., New York City	Do.

Owing to severe competition with foreign-made fuse, and the fact that freight rates from continental ports to Denver are less than from Simsbury to Denver, we are forced at present to sell in Colorado district at prices very little, if any, above cost. Under present conditions the Germans, particularly in their shipments of gutta-percha fuse to this country, are availing themselves of a dumping ground, in very much the same way as we at times have found it convenient to do with Mexico, in order to dispose of our surplus product and keep our employees steadily at work, though the prices at which we sell there are practically without profit.

PROFITS OF BUSINESS.

The profits of the business of fuse manufacturing are moderate, the dividends of the Ensign-Bickford Company being 6 per cent per annum. The National Fuse and Powder Company, of Denver, Colo., in which this company has been interested for the last ten years, has never paid a dividend, mainly owing to severe competition from the imported article.

CONCLUSION.

In conclusion, we would call your attention to the hazardous nature of the business, which necessarily results from the handling of gunpowder. There have been numerous explosions in the history of this company and heavy loss of life. An explosion which took place three years ago cost 15 lives and a very large amount of money.

With the constantly increasing cost of materials and labor in this country, we feel that to give a fair opportunity to American manufacturers and labor interests, the duty should not be reduced. We respectfully submit the above, and ask that safety fuse of all kinds be given a separate classification and placed upon the list at 45 per cent ad valorem, as originally provided under the Dingley law.

Should it be desired to fix maximum and minimum duties on this article, we ask that the maximum be 45 per cent, as under the Dingley law, and that a minimum of not less than 40 per cent may be made, applicable only to such countries as admit this same article to their own markets at no higher rates of duty.

THE ENSIGN-BICKFORD CO.,
R. H. ENSIGN, *President.*

THE COAST MANUFACTURING AND SUPPLY COMPANY, BERKELEY, CAL., FILES BRIEF RELATIVE TO SAFETY FUSE.

BERKELEY, CAL.,
February 12, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Relative to the statements made in printed letter of J. Fritz Brind, we have to say:

1. A. H. Merritt is not an employee of the Ensign-Bickford Company, but is vice-president and general manager of the Coast Manufacturing and Supply Company, of Berkeley, Cal.

2. The Ensign-Bickford Company does not own or control all of the fuse factories in the United States. They do not own a majority of the stock of the Coast Manufacturing and Supply Company, of Berkeley, Cal., which corporation is controlled by its own board of directors.

3. As the largest manufacturers of domestic gutta-percha fuse, we deny that gutta-percha is the chief article of value in so-called gutta-percha fuse.

4. Our books will show that double-taped fuse is not the kind that is generally used in this country, but is exceeded in general use by other brands.

5. The statement that a profit was made by the several companies operating previous to the consolidation is erroneous, as all of the companies either made no profit or lost money at that time.

6. The present price list is subject to discounts and does not show on its face the true amount received or netted by the manufacturers. The consumer is supplied by jobbers, who in turn receive certain compensation for their services as distributers, which is taken care of by the discounts from the list price.

7. The price on fuse shipped to foreign countries should not be considered, as it is sold wherever possible and at whatever prices the manufacturer is able to get, owing to foreign competition, and to serve as a dumping ground for our surplus, in order to increase the output of our plants and keep our employees steadily at work.

8. The statement that fuse can be made cheaper in this country than in foreign countries is decidedly erroneous, as accompanying comparison of prices of materials and wages will show.

9. The statement that female help receive as low as $5 per week is also erroneous and misleading, as accompanying statement will show.

10. The statement that there is now a profit of 100 per cent is also erroneous, as will be pointed out in accompanying brief.

11. We contend that it is no crime, nor does it follow that because the manufacturers of fuse have good reputations and business standing any inference should be drawn against them.

The tariff schedule of 1897 does not give separate classification for fuse, and we understand from interviews with the customs appraisers at New York City that the rule has been to apply paragraph 347 on fuses the chief component part of which is hemp or other vegetable fiber. The duty thereon is 45 per cent.

The customs officials also stated that where the chief component part of fuse is gutta-percha they apply the classification of para-

graph 450, taking a duty of 35 per cent. We have also been informed that recently there has been gutta-percha fuse admitted under paragraph 449, claiming that india rubber or balata was the article of chief value.

This method of classification has been so unsatisfactory that it has caused considerable confusion and dissatisfaction, and we have applied to the customs officials for information and relief several times. Their replies to our contentions were always that they based their appraisals on the chief article of value used in its manufacture. They also stated that an analysis was made of the gutta-percha covering on each shipment. We have been informed that it was impossible to accurately analyze vegetable compounds, and therefore do not believe that the result has been properly arrived at.

Further, we contended that the appraisers did not value the gutta-percha at a proper figure. There are a great many grades of gutta-percha, ranging in price from 7 cents to $1.25 per pound, and the quality used by the fuse manufacturers is of the cheapest grades. We might state here that we have used carloads of the 10 cents per pound grade in connection with balata and other ingredients, and from years of experience in this line our coatings are superior to the imported article.

One grade of fuse imported is, of our knowledge, composed of a majority of cotton yarns, and, as far as we know, no particular notice was taken of that fact, the basis of duty being as others, viz, the gutta-percha covering.

MATERIALS USED IN FUSE MANUFACTURE.

We give the following comparative figures on the value of materials used in the manufacture of fuse in the United States and in Europe. These prices are as near as we are able to get at the present time, and the prices given for the United States are the actual prices we are now paying. We would also like to add that at the present time we are buying materials at a very low figure compared with the prices of these materials during the past five years.

	Prices in United States.	Prices in Europe.
Cotton yarns of different grades	16 to 20 cents per pound	18 cents per pound.
Cotton cloths	3 7/16 to 5 cents per pound	Not able to get comparative figures.
Jute yarns	10½ to 11 cents per pound	8 cents per pound.
California asphaltum	$16.20 per ton	$23 per ton.
Powder	$0.189 per pound	$0.089 per pound.
Crude gutta-percha	10 to 22½ cents per pound	No figures.
Sheet gutta-percha	50 to 22½ cents per pound	38 cents per pound.
China clay	$15.50 per ton	$6.50 per ton.
Glue	10 cents per pound	3½ cents per pound.
Paper	6 cents per pound	Do.
Coal	$10.25 per ton	$4.25 per ton.
Whiting	$20 per ton	$6.20 per ton.

A glance at the above comparative prices of materials will show that American labor has its part in the difference in prices, also that several of the higher-priced materials used are properly protected by duty. An example is jute yarns. The duty on jute yarns is 35 per cent, and it is one of our chief materials in the manufacture of fuse, yet the duty on the manufactured article (fuse) made up of those materials is the same as on the material itself.

The labor question is one of the chief questions to be taken into consideration, as the difference between foreign wages and the wages paid here has a great deal to do with the high cost of production here.

EUROPEAN LABOR.

A statement made by a prominent European fuse manufacturer last October to us is our authority for the following schedule:

Superintendents and foremen	$65.00	to	$80.00	per month.
Male operatives	.75	to	1.00	per day.
Female operatives	.24	to	.37	per day.

In European fuse factories there is an average of in the neighborhood of 20 per cent males to 80 per cent females.

AMERICAN LABOR.

Superintendents and foremen	$100.00	to	$175.00	per month.
Machinists	2.75	to	4.10	per day.
Operatives, male	1.35	to	2.50	per day.
Operatives, female	1.35	to	1.75	per day.

In our plants the average help employed is 72 per cent males and 28 per cent females.

IMPORTATION OF FOREIGN FUSE.

We have no source of information whereby we can give an estimate of the amount imported. Application to the customs officials gives no relief as no record seems to be kept, and also from the fact that fuse is brought into this country at so many different ports of entry.

COMPETITION BY FOREIGN FUSE.

We are constantly harrassed by the competition of foreign fuse in several localities, particularly in Colorado, Utah, Arizona, Nevada, California, Oregon, Idaho, and Montana. This competition has made itself felt in our sales and reduced our profits to a ridiculously small margin. In order to hold our trade, especially in Colorado, we have been forced to sell at almost cost. Particularly in Colorado, for the reason that the freight rates from Europe to Denver have been less than one-half the rate from San Francisco to Denver. We believe that our efforts with the Interstate Commerce Commission have brought about some little relief, but the rate is still in favor of the European.

It is very evident that the German manufacturers are using this country as the dumping ground for their surplus output. We freely admit that we have been forced to sell our goods in foreign countries at cost price in order to keep our factories running and our labor constantly employed, whereas if we had sufficient protection in the matter of duties and freight rates to give American fuse manufacturers the benefit of all the American trade, we would find that we would be kept busy supplying our own trade and not having to sell at cost in foreign countries.

We do not hesitate to say that the profits of the fuse business is far below what is justified by the nature of the business. We are engaged in a dangerous business and are constantly in danger of explosions and unable to insure our plants against such explosions. Consequently when an explosion occurs we are forced to stand the loss out of our pockets.

In November, 1906, an explosion occurred which wrecked over half the plant. No lives were lost, fortunately, but the loss of the plant meant thousands of dollars.

Other explosions have occurred at various plants in the United States at different times, all of which were very costly, and a number of lives were lost.

The prices at which our fuse is sold are reasonable, as we desire them to be; and if we were able to sell our product at the list prices now in effect without having to meet foreign competition, our profits would be very reasonable, and the consumers are satisfied with the prices charged.

The profits of this company have been cut down during the past years from 6 per cent in former years to only 3 per cent during the year 1908, and is directly traceable to the effect of foreign competition,

In conclusion, we would direct your attention to the fact that the request for a reduction in duty comes from the class of people who make their profits by commission on handling goods and not from any complaint from the consumers that our prices are too high. These people are not employers of labor and do not buy any materials or put any money into circulation in this country, but send their money to purchase foreign goods and support cheap foreign labor in competition with American labor.

The tendency of the market during the past few years on all materials used in the manufacture of safety fuse had been to advance, and this, together with the advance in the wages of labor, brings us to believe that we should receive an adequate protection on our interests to the exclusion of foreign goods.

Particular attention is called to the fact that the fuse business is a very peculiar one, unlike any other business that we know of, in the fact that our product is bought only by a limited number of industries who use explosives, such as mines, quarries, and railroad contractors. It is not an article that can be sold indiscriminately or in any other quantities than can be used. It can not be forced on anyone by clever salesmen or pushing business tactics, but the sales are dependent on the general conditions of the country and prices of metals. A striking example is the period of financial depression through which this country has passed. During the so-called "panic" the price of copper dropped so low that nearly all of the large copper mines closed down, with the result that our business dropped off between 60 per cent and 70 per cent below normal. From this can be seen that the fuse business can stand no foreign competition and live. If the duty should be lowered, it would be but a matter of a short time before all the fuse plants in the United States would be closed down and go out of business.

We believe that the best interests of all concerned would be subserved by giving fuse a separate classification, and instead of reducing the duty to make a specific duty of $1 per 1,000 feet on all kinds and grades of fuse.

We believe that a specific duty is the proper method of handling the matter, as with the low cost in Germany on an ad valorem basis, it gives a chance for juggling with invoices.

We submit the above facts and explanations to your committee with a belief that you will, after going over the matter, accept the facts as outlined by the manufacturers of the products in question and give the relief asked for, to protect an American industry and American labor.

Respectfully submitted.

COAST MANUFACTURING AND SUPPLY COMPANY.

FEATHERS AND FLOWERS.

[Paragraph 425.]

STATEMENT MADE BY JACOB DE JONG, REPRESENTING THE NEW YORK FLOWER AND FEATHER COMPANY, OF 207 WOOSTER STREET, NEW YORK CITY.

SATURDAY, *November 28, 1908.*

Mr. DE JONG. Mr. Chairman and gentlemen, the industry which we represent is one that is peculiarly subject to tariff provisions; and it is hardly possible for us to put the matter before you in an intelligent manner with a view to your acting upon it in the short time that we are allowed.

Artificial flowers and fancy feathers represent an industry of about $20,000,000. They are imported to the extent of over $6,300,000. The duty paid upon them is over $3,000,000. The advance we ask you to place upon this article is from 50 to 70 per cent. We can prove to you that this will increase the revenues of the Government over $1,000,000—enough to pay the salaries of this committee, including their overtime.

The industry that we represent, Mr. Chairman, is particularly adapted to an increase in the tariff, because it is an article of luxury, and the wages paid in this country as compared with those in Europe are double. The materials used in the industry pay an average duty of 50 per cent. Under the operation of the present bill, under which we labor, the importations have increased from $2,800,000 to $6,400,000. And this, in spite of the energy, enterprise, courage, and determination of the domestic manufacturers to create an American industry which is entirely new in this country, and requires great skill and dexterity. We must train a new force of laborers in the United States and make them perfect in a class of industry in which for generations past the workers of Europe have been trained to a degree of perfection that makes American competition almost impossible.

But in spite of these facts we are to-day producing nearly 50 per cent of the artificial flowers and fancy feathers of the United States. The manufacturers work on a very small basis, and only the fact that we have a high tariff makes it possible to compete with foreign manu-

facturers on this article. A high tariff makes it possible to pay the American laborers, chiefly girls, an average of from $8 to $9 a week in an industry that does not take away one single hand from any other industry in the United States.

We therefore ask you to fairly consider the question of artificial flowers and feathers. And if my time is to be limited, in order to present the case properly before your committee I am willing to appear again Monday week if you think it is necessary.

The CHAIRMAN. No; we do not think it is necessary. File a brief.

Mr. DE JONG. We will also file a brief; and we would ask you, in considering that we ask for something which may seem to you extreme as far as a tariff for protection is concerned, to bear in mind the fact that we labor under greater difficulties than any other industry of this character. I wish to impress upon you the fact that the tariff existing in Europe between continental countries, where the tariff is only for revenue, is larger than the tariff placed upon the same articles that are imported into the United States.

FRANK A. HALL, NEW YORK CITY, THINKS DUTY ON CRUDE FEATHERS AND DOWN SHOULD BE REMOVED.

NEW YORK, *November 30, 1908.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: As a wholesale manufacturer of feather pillows, I would like to call the attention of your committee to the present duty of 15 per cent on crude feathers and down. To enable the manufacturers of the Eastern States to compete with the western manufacturers, this duty should be removed.

The source of supply in this country of feathers for use in pillows is the Middle States. The pillow manufacturers situated there are able to get their raw material direct from the farms, and so save all commissions, middlemen's profits, and freight charges. The eastern manufacturer has to pay a collector for gathering the feathers, also freight to the East, thereby being put to a great disadvantage, and the present duty of 15 per cent makes foreign feathers prohibitive. The removal of this duty would not affect the western manufacturer on account of the advantages he now has of situation and the saving of freight and commissions. Neither are there enough feathers of the higher grades produced in this country to meet the demand; the result being high prices.

Many of the foreign grades are not and can not be duplicated in this country on account of the difference in the birds producing the feathers and the difference in climate where the birds are raised. China, Japan, and Siberia export large quantities of feathers and down that are peculiar to those countries alone and can not be duplicated elsewhere.

I trust that you will give this matter your consideration, and would be pleased to give any further information or send any samples that you may desire.

Yours, very truly, FRANK A. HALL.

PHILADELPHIA MANUFACTURERS OF ARTIFICIAL FLOWERS AND FANCY FEATHERS ASK AN INCREASE OF DUTY.

PHILADELPHIA, PA., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the Associated Manufacturers of Artificial Flowers and Fancy Feathers of the City of Philadelphia, ask for an increase in import duty on said artificial flowers and fancy feathers for many reasons:

I. The European manufacturer can at the present time operate more cheaply than the American manufacturer.

(A) Because the scale of wages in Europe is much lower. (*a*) It is in proportion to dollars to marks. (*b*) A comparison of wages between France, Germany, and Austria, and the United States is in favor of the former countries. (*aa*) This comparison may be applied not only to hands, but also to rents and general running expenses with the same result. (*c*) There has been a steady increase in the scale of wages in the United States in all lines. With the first return of increased activity this will operate still further, meaning an increase in the cost of manufacturing domestic goods.

(B) (*a*) The foreign manufacturer can specialize. He either makes flowers or feathers, not both. He gets his orders far in advance of the domestic maker and fills in his dull season with orders for the United States. This enables him to operate his plant the whole year to full capacity, giving steady employment. (*b*) On the other hand the domestic manufacturer must make both flowers and feathers to keep his plant running or remain idle part of the time at the risk of losing his organization.

(C) The price of the domestic article is governed largely by the price of the imported and by the stock of the imported goods on the market (bought long before the domestic manufacturer gets his orders). Even with a 50 per cent duty the foreign manufacturer is able to successfully undersell the domestic manufacturer in a good many cases; hence the latter is forced to sell his product at a very close margin. Then, why lower the duty and make it still easier for the foreign manufacturer? Why not raise the duty and make it easier for the domestic manufacturer?

II. There are many items which domestic manufacturers are unable now to produce at all.

(A) With a raise in duty we could make these articles.

(B) With a reduction in duty there would be many more items which could not profitably be produced.

III. The increased importation shown by statistics and the increased competition with the foreign manufacturers has driven out specialty houses in the flower line.

(A) Some years ago fruits, foliages, and some other articles were made by specialty houses.

(B) The cheap foreign manufacturers specialize in these lines and have driven these people from the business.

IV. (A) A reduction of duty would only lower prices and mean fiercer competition between the domestic manufacturers themselves, as well as between them and the foreign man. This would result in a destruction of the industry and a general lowering of the wages.

(B) If the duty on cases and cartons only were lowered it would mean a reduction of at least 6 per cent in the schedule. The American manufacturer can not afford this.

(C) That the industry at the present time does not pay exorbitant profits is shown by the fact that no one man has grown enormously wealthy in it.

V. (A) Cotton goods, silk goods, velvets, etc., used for flower manufacturing purposes pay a duty at least as heavy as the imported made flowers, and in some cases even more; hence the raw materials cost more duty than the domestic finished product received protection.

(B) Statistics show that from 1890 to 1905 the value of the product, the number of establishments, the amount of wages paid, and the number of persons employed has steadily decreased, showing that the protection given this industry is not sufficient.

(*a*) *Extract from Census of Manufacturers, 1905.*

[Bull. 57, p. 276, Table 84. Published by Department of Commerce and Labor.]

Year.	Number of establishments.	Capital.	Hands.	Output.
1890	251	$3,081,828	6,857	$9,078,683
1900	224	3,632,789	5,331	6,293,235
1905	213	2,567,648	4,348	5,246,822

(C) Since 1905 the domestic business has shared in the general prosperity of the country, but it has not increased in any proportion to the foreign-importation business. (*a*) To make a fair comparison between the two, the duty, the expense of importation (freight charges, marine insurance, etc.), and a profit should be added to the totals of merchandise imported, as shown by the custom-house entry. This brings the total sales of imported goods to over twice that of the domestic goods. (*b*) From the above statistics, a liberal estimate shows that all the domestic manufacturers together do not turn out more than $5,000,000 worth of merchandise.

Year ending June 30—	Feathers, flowers, fruits, grasses, leaves.	Feathers, downs, manufactured and finished birds.	Total.
1905	$2,402,539	$1,772,380	$4,174,919
1908	3,747,021	2,648,212	6,395,233

NOTE.—This refers to artificial flowers and fancy feathers, exclusive of ostrich feathers.

Goods imported, 1908	$6,395,233.00
50 per cent duty	3,197,616.50
40 per cent expense, commissions, profit	2,558,073.20
Actual sales	12,550,922.70
Estimate of domestic output	5,000,000.00

The above shows that the imported sales amount to 150 per cent of the domestic sales.

We respectfully submit the above statement of facts and argument on behalf of The Associated Flower and Feather Manufacturers of Philadelphia.

JACOB HENLY,
For Associated Manufacturers of Artificial Flowers and Fancy Feathers of the City of Philadelphia.

STATEMENT MADE BY PETER ZUCKER, OF 45 BROADWAY, NEW YORK CITY, REPRESENTING IMPORTERS OF MILLINERY FLOWERS AND FEATHERS.

SATURDAY, *December 12, 1908.*

(The witness was sworn by the chairman.)

Mr. ZUCKER. I wish to call your attention to the fact that I am only an attorney, and appear for my clients.

The CHAIRMAN. Well, I suppose an attorney can tell the truth as well as anybody else.

Mr. ZUCKER. He has been known to do that, I think.

I appear on behalf of the importers—millinery importers—of the city of New York, and I will say that I speak for the eastern importers generally, for the Millinery Jobbers' Association, with headquarters at Chicago, covering, I understand, the entire western territory, and for the larger manufacturers of flowers and feathers of the city of New York.

The CHAIRMAN. What paragraph are you speaking upon?

Mr. ZUCKER. Paragraph 425. That is the only paragraph that I wish to speak upon this morning.

I have said to you that I desire leave to file a brief, which I will do as expeditiously as possible, on quite a few other paragraphs, and the reason I can not speak on that is that it will require expert testimony, and those paragraphs being matters of classification and the information not yet having been furnished me, I will have it in a few days and will send in my brief as rapidly as possible. I refer now to the latter part of paragraph 425, which fixes a duty of 50 per cent ad valorem on artificial flowers and artificial feathers—or, rather, feathers when dressed, colored, or otherwise advanced or manufactured in any manner. The reason I am addressing you as to that is that certain manufacturers of the city of New York some time ago, some few days ago, appeared and urged a change in this paragraph from 50 per cent ad valorem to, I believe, 70 per cent ad valorem. And on behalf of the associations and the people I represent I am here to oppose any increase and to suggest that we desire that the paragraph shall stand as it is. I will briefly give my reasons and my clients' reasons therefor.

The first reason is this: The manufacturers that asked for this increase are manufacturers of the very cheapest grade of flowers. Looking over the list of those who have associated themselves for this purpose I find that, as far as I can make out, about 90 per cent of this entire list are located on the east side of New York City, and are perhaps 95 per cent Greeks, Italians, and French. Whether these people are naturalized or not I do not know, but they are all foreigners, employing exclusive foreign hands to manufacture the very cheapest grades of flowers and feathers for the very cheapest hat. Of course the committee understands that the flower and feather, the artificial flower and the colored feather, is not used for the decoration of the house, or for any other purpose in the world excepting for the decoration of the hat. This enters into the hat. And there is one article in the world in which every American man is interested, and that is the hat that his wife wears; if there is any article in the world that the man, or the consumer, is interested in, it is the American hat.

When the Dingley bill was passed I think there were very few manufacturers of cheap flowers and feathers. They have increased from, I think, 25 at that time to about 200, and I think 120 are located in New York City. And as I have said, this paragraph, when it passed, enabled these people to put some capital into the manufacture of the very cheapest flowers and feathers; and it has at no time—and this is the point I am trying to get at—prevented the importation of the better grade of flowers not the slightest. And you can put 10 per cent more duty on, 20 per cent duty, 40 per cent, and even 100 per cent, and I do not believe you will prevent the importation of a single flower, and the reason is this: The style for the hat and for the decorations of the hat is set in Paris for the entire world; certainly for the United States. Take the present season of the year, as an illustration. The importers of this country have buyers now in the city of Paris to see what flowers will be needed for the trimming of the hat for the spring season about to come. Many of them have been there for two or three weeks, for a month, and some are just going. The leading milliners of the United States are also there for the purpose of seeing the general shape of the hat.

Now, the committee will understand that the milliners of the United States, the leading milliners especially—all the milliners—get their shapes from abroad. The shape is made over there, it is invented there, if I can use such a term, as well as the decoration of the hat. The milliners here follow that shape. They have not the capital, the means, nor the desire to import the decorated part of the hat, the flower and the feather. That is left to the importers, who have millions of dollars invested in capital in this trade. Now, the question might be asked me, Why can not the manufacturer of the United States prevent the importation of foreign flowers and feathers by putting an additional duty on so that those who manufacture the cheapest grade may also manufacture the better grade? and for this reason: The importer goes over there and sees what is needed for the flower, and the milliner is over there at the same time. He scarcely gets back—the importer—when the milliner here asks for the flower that is used on the hat in Paris. Now, he would not have the time, and it takes the highest skill, the very highest skill, to make some of those artificial flowers and feathers. The people over there have been trained to do it for years. That is one thing. In the next place, it takes about two months to make up the material, and so you see he would not have the time. The milliner wants that particular flower, that particular rose, or that particular pansy, and wants it immediately; and, in fact, before he leaves Paris his importer is already giving the orders to people there, anticipating, to make them up for the importer. We could not do it on that account.

And there is another reason. The average woman wants the imported flower. The flower that the manufacturer who appeared before you uses is only used on the hat that runs anywhere from $2 to $5. Nowhere in the United States—and if any of you are married you will know this—does the $15 hat or the $25 hat have anything upon it but the imported flowers. Custom demands it, the women demand it, absolutely, and unless the importer wishes to be dishonest, he has got to give what is asked for.

Now, the importer uses a large amount of capital in manufacture, and many of my clients happen to be manufacturers on a large scale as well as importers. What they can do is to employ capital in the manufacture of some of these imported flowers on repetition orders; that is to say, supposing a certain rose is imported by the importer, and he says that it is going to take in style for a period of some months. He employs high-skilled labor, knowing that he will have a large number of repetitions on this order. He will put a certain force of workmen on the manufacture of this particular rose, because he can afford to take the chances on the repetitions of the order. Even then, I am told, there is a difference in the class of workmanship, so that the finer class of milliners will not take it upon any condition, but insist upon the imported article. The point I am getting at is this: As I said before, no matter what duty you put on this article, I do not think you can keep out a flower or a feather that is wanted by the consumer; and if there is one thing in the world that comes home to every man in the United States—not the richer classes alone, but the vast middle class—it is the article of the hat. The higher duty you put on, the importer will import just the same, because the milliner, through his customers, demands it, and the consumer will simply have to pay the additional duty, and it does not go to the benefit of anybody but the Government, and the consumer will be very, very much hurt. In not the slightest degree would the east side manufacturers, or pardon me, any manufacturer who manufactures the cheapest grade of flowers, be benefited, but you keep this feather or flower out. He can not manufacture them. The consumer has demanded it, he would have to pay the additional price, and the Government would simply get the additional revenue. That is to say, it would be a useless high tariff put on.

The CHAIRMAN. What are you advocating?

Mr. ZUCKER. I am advocating to let it stand as it is—50 per cent ad valorem. We do not ask to have it reduced.

The CHAIRMAN. It is a pretty good revenue producer. The women are not obliged to buy foreign flowers or feathers, especially in such large quantities as are put on their hats now, for they are so large and have so much upon them that it is difficult to see beyond them. I think the question is largely one of revenue, and incidentally that of sufficient protection, so that our people are getting into the manufacture of them, even in the lower grades; and I think that is a good proposition.

Mr. ZUCKER. Within proper limits I am a great believer in protection myself, but if there is one article in the world where you would not get that protection——

The CHAIRMAN. There is one thing that I can not understand. I know it is true that we import the Paris styles, and have to have these foreign goods, and all that sort of thing; and yet, when I look over a convocation of women in a theater and see the various forms of headgear used, the different decorations, and all that, it certainly can not be said that they are all made from the same pattern or style.

Mr. ZUCKER. I can explain that.

The CHAIRMAN. I made some inquiry, after we had hearings here, as to the cost of these things when they are imported, and the cost when they come to what Mr. Boutell would say, the "ultimate consumer," and I found that, while the retail trade in some branches

makes large profits, yet in the millinery business the profits seem to be exaggerated tenfold or more.

Mr. ZUCKER. There are two millinery houses in New York, makers of hats, who ask and demand and receive from the ultrarich enormous profits. But those are such exceptional cases that it does not enter into this controversy at all. The vast middle class who do not buy $200 and $300 hats—and that is what some of these millinery people ask, and probably make 500 per cent profit—but the vast number of milliners that I speak of now sell the moderate priced hat for $15, $20, and $25. When you get away from those three prices, you are getting to a price that does not enter into this point at all, because those higher priced hats, those tremendously priced hats, are imported direct by the ultrarich, who do not go to the American milliner at all. Those hats are not made up by the American milliner, and no orders are given to them. I do not suppose that 1 per cent of the female population—2 per cent—buy anything of that kind. But it is the $15, the $20, and the $25 hat upon which these flowers and feathers go; and if you put an additional duty on, you do not stop the importation of one flower or feather, not one. I assure you of that.

Mr. CLARK. If that is true, what difference does it make what the tariff is?

Mr. ZUCKER. It is the consumer who would have to pay it. If it makes no difference, why not put on 100 per cent?

Mr. CLARK. That is what I am understanding you to argue.

The CHAIRMAN. Why would not 60 per cent be better than 50 per cent? It would increase the revenue of the Government, would it not?

Mr. CLARK. But here is the way of it: It does not make any difference whether a man is a free-trade man or a high-protective man, or what he is, we have got to have revenue. You say that it does not make any difference what the tariff is on high-priced things, that they would come in anyhow.

Mr. ZUCKER. That is my opinion.

Mr. CLARK. If a woman is able to pay $200 for a bonnet, she does not care a snap what is on the bonnet.

Mr. ZUCKER. She imports the bonnet direct; she does not buy it in this country.

Mr. CLARK. Does she not have to pay tariff on it?

Mr. ZUCKER. I am not speaking of bonnets or hats. I am speaking of flowers and feathers named in the paragraph upon which we are paying a duty of 50 per cent, and on which an increase of duty has been asked.

Mr. CLARK. Who asks for an additional tariff?

Mr. ZUCKER. Certain manufacturers of the city of New York.

Mr. CLARK. Well, they would come in, anyhow, would they not, for nobody but the rich use them?

Mr. ZUCKER. The ultra rich are not affected by this at all, but it is the poorer classes—the poorer classes who buy a $10 hat.

Mr. CLARK. I thought you were speaking of the ultrarich.

Mr. ZUCKER. I am not speaking of them at all; you are mistaken about my argument.

Mr. CLARK. If it will make the bonnets cheaper to the common people, I am in favor of cutting the tariff down.

Mr. ZUCKER. The common people—the very poorest—will buy the $5 hat.

Mr. CLARK. The very poorest will do nothing of the sort.

Mr. ZUCKER. Pay more?

Mr. CLARK. They pay less.

Mr. ZUCKER. Oh, no.

Mr. CLARK. The bulk of hats sold in the United States do not cost $2.50.

Mr. ZUCKER. My dear sir——

Mr. CLARK. I do not know very much about what they wear in New York, but I know what they wear outside of New York.

Mr. ZUCKER. Very well.

Mr. CLARK. Have you any proposition to make that will cause them to be cheaper?

Mr. ZUCKER. No; we could not make them cheaper; you could not possibly make those hats cheaper. If you put any duty on it, you would not make them cheaper.

Mr. CLARK. Suppose you take the duty off?

Mr. ZUCKER. Then you could not manufacture any flowers in this country at all.

Mr. CLARK. Then you can not do anything here without the tariff. Is that it?

The CHAIRMAN. If you take the duty off, will hats cost just as much?

Mr. ZUCKER. Hats would cost just as much; yes; and that is one of the reasons—you see, I am in a peculiar position. The importers that I represent now would be glad to have free trade, but I represent a large number of manufacturers whose capital is infinitely greater than those people who appeared before you and asked for an increase. And my clients, the manufacturers, say that they think the duty is about right; it enables them to make the cheapest grade of flower for the poorer classes, which they could not do; but if you added to the duty it would not enable them to make any cheaper flowers, nor in any greater quantity. They have no idea why the increased duty should be put on; they can not see; the larger manufacturers can not see anything in it.

Mr. CLARK. Do you propose to increase the duty?

Mr. ZUCKER. Not I. I am simply appearing here because a few days ago certain manufacturers from the east side of New York—I think the greater part; I don't know just where they are—came before this committee and asked that paragraph 425, which now fixes a 50 per cent ad valorem duty, should be increased to 60 or 70 per cent; and my clients, the larger manufacturers and the importers, do not feel that that is right nor that it should be done. And it is on that point that I have been arguing—to leave it as it is.

I do not know that I shall take up any more time.

The CHAIRMAN. We will look into the matter carefully, and, so far as I am concerned, if 60 per cent would bring in any more revenue than 50 per cent, I would be inclined to vote for 60 per cent.

Mr. ZUCKER. Then, you would simply make the middle-class people pay that.

The CHAIRMAN. The only argument against it would be that the trade relations are fixed at 50 per cent, and it would have to be readjusted.

Mr. ZUCKER. Yes; there is a large stock of goods on hand, and it would make quite a difference in values.

Mr. CLARK. I understand you are an attorney, not a manufacturer. Do you really know anything about this hat and feather business itself?

Mr. ZUCKER. I don't know; you might question me to see.

Mr. CLARK. Well, take a hat that costs a woman here at retail from $5 up to $20. Where do the trimmings come from? Are they foreign made or American made?

Mr. ZUCKER. Take the $5 hat; it is American made. But the moment you get over the $10 hat, then it is foreign made.

Mr. CLARK. Everything below $5 is American make?

Mr. ZUCKER. Not everything. Odd to say, the very cheapest stuff, the stuff that goes on a $1.50 and a $2 hat, also comes into New York. That is made by hand in Italy and France, and by such cheap labor that you can not keep it out. When you get to the hat which sells for from $3 to $5, I should say that it had American stuff in it. But when you get above $10 to $15 and $20, then the statistics show that the great middle class—I do not know how to term them any other way, but I am referring to the men who get $1,200 a year to $5,000 a year—I think their wives buy all the way from $15 to $25 hats, and those are made of the foreign flowers and feathers. Those women want them themselves; they insist upon it, and we can not make them for reasons that I gave before and do not want to go over again and explain.

STATEMENT OF JULES AUGUST COLLET, OF No. 1198 PACIFIC AVENUE, BROOKLYN, N. Y., RELATIVE TO ARTIFICIAL FLOWERS AND FANCY FEATHERS.

SATURDAY, *December 12, 1908.*

(The witness was sworn by the chairman.)

Mr. COLLET. Mr. Chairman and gentlemen of the committee, I ask to be heard on behalf of the labor people of this particular industry. At first, I wish to place before you the interests of the working classes in this industry. I believe that I am qualified to do so, for the reason that I have been born and brought up in the business. I ran my father's factory from the age of 14 to 21, and from 21 I ran it myself up to a few years ago, at which time the present duty of 50 per cent drove me out of business. At that time I employed more help than any other manufacturer did in those days, or even to-day. I employed upward of 400. There is not to-day a manufacturer of artificial flowers or fancy feathers who employs that number of help. But under the duty of 50 per cent I could not keep up again, and I am an expert in the business, positively.

Mr. CLARK. Do you want more tariff put on, to hold it where it is, or do you want to take the tariff off?

Mr. COLLET. I come here to plead for more tariff, gentlemen, and to give you some truthful reasons for it.

Mr. CLARK. What are you advocating—a higher tariff?

Mr. COLLET. Yes.

Mr. HILL. As I understand it, in this and in a large number of industries of a somewhat similar character we can compete, and do com-

pete, on the lower grades. On the higher grades we can not compete, and there is no manufacturer of this and other articles in this country of the fine high grades. Now, supposing they were classified so that the duty of 50 per cent possibly was reduced below a certain amount to a smaller percentage and increased above a certain amount to a higher percentage. I would like to know what, in your judgment, would be the effect on the industry, and as to the revenue also?

Mr. COLLET. It is impossible, and I speak as an expert, to classify any flowers or fancy feathers. You can not separate them.

Mr. HILL. As a matter of fact they are classified by the fact that we make some of them here and others we can not make; so that they are classified naturally.

Mr. COLLET. I must contradict the previous speaker in regard to that.

The CHAIRMAN. Why can you not classify them?

Mr. COLLET. Impossible; and I must contradict the previous speaker.

The CHAIRMAN. Perhaps I misunderstood you, but I understood you to say that the present duty had injured your business.

Mr. COLLET. Yes.

The CHAIRMAN. The duty under the McKinley Act of 1890 was the same—50 per cent. Under the Wilson Act of 1894 it was reduced to 35 per cent, and then it was increased again by the Dingley Act to 50 per cent?

Mr. COLLET. I know; I was before you twelve years ago.

The CHAIRMAN. Then, the present duty could not have ruined your business.

Mr. COLLET. No; and I can give you many reasons for it, and make truthful statements. I was a large manufacturer and keeping mostly all imported goods. I was able to bring in manufactured goods by saving traveling expenses, railroad expenses, selling to the importers and the large jobber, at $1.60 for a dollar's worth of foreign goods—in other words, it costs the importer $1, and then 50 cents for freight and insurance—about $1.60—and I tell you I was able to compete with them. In the first place, I used American ingenuity to produce my goods, and being in Brooklyn I was able to employ help in this way: During my greatest career in business I would get girls coming out of school, 14 or 15 years old, and they would give two months' free service as learners. After eight weeks they commenced to earn from 25 cents a week up to $2 a week for eight weeks. They worked sixteen weeks before they got $2, and so on. After that they were put on piecework; but to-day I want to say that you can not do that.

The CHAIRMAN. When was it that your business was profitable or prosperous?

Mr. COLLET. I made it a little bit prosperous during my period of nineteen years, and by working eighteen hours a day.

The CHAIRMAN. I understood you to say that some calamity had come to your business; when was that?

Mr. COLLET. That showed itself in 1899 and 1900.

The CHAIRMAN. Just after this bill was passed. Since then you have been very prosperous?

Mr. COLLET. Since that time I have been out of business, sir.

The CHAIRMAN. Out of business?

Mr. COLLET. Yes, sir.

The CHAIRMAN. What was it that struck you in 1899 and 1900? What was the matter?

Mr. COLLET. My inability to compete with the foreign grades, created by the cheap help.

THE CHAIRMAN. The duty was raised from 35 per cent in 1894 to 50 per cent in 1897, and your greatest difficulty seems to have come on with the higher duty?

Mr. COLLET. Yes, sir. I got out of business in 1900, and that took place a year or two previous to that.

The CHAIRMAN. I am afraid something else besides the tariff interfered with your business.

Mr. COLLET. No, sir.

Mr. CLARK. Did you not go out of business because you had gotten too rich to stay in it?

Mr. COLLET. No. In my career of nineteen years—my wife and myself started with a $5 bill—but we got out of business in the neighborhood of $30,000 of maximum money, and that in the nineteen-years' career, and having produced in this country these articles with no other money put in and with only experience and good products.

Mr. CLARK. But you made money enough to retire on, was not that it?

Mr. COLLET. If you call that retiring; yes.

Mr. CLARK. Well, I would like to have $30,000 to retire on myself.

Mr. COLLET. But I did not come here for this purpose. I came to show you where a 70 per cent duty will not create a loss to the importer beyond the maximum of one-third of the present imports.

Mr. DALZELL. Are you in business now?

Mr. COLLET. No, sir.

Mr. DALZELL. You do not do anything at all now?

Mr. COLLET. Well, I do a little real estate business, about all a man can do after he is out of his profession.

The CHAIRMAN. You may go on and show us what you want.

Mr. COLLET. I want to show you, gentlemen, that if you place a minimum duty at 70 per cent that no more than one-third of the present imports will be manufactured by the present manufacturers, because 70 per cent is not sufficient to produce the rest. The present import value is six millions, round numbers. They had trouble in the last three years, and if you will look up the statistics the imports will show the present condition, but it ran from two millions up to six millions, round figures. If you reduce the imports one-third, or $2,000,000, it will leave you four millions, and at 70 per cent that is $2,800,000, which, taken from the revenue of $3,000,000 leaves a deficit of $200,000. Now, if you permit the domestic manufacturers to produce that $2,000,000, maximum, worth of importations, goods costing $1 in any part of Europe and sold at $2 in America, and with 50 per cent duty, then there is a profit of not more than 8 or 9 per cent.

The CHAIRMAN. You referred to goods costing $1 in any part of Europe and sold by the importer at $2 here.

Mr. COLLET. Therefore $2,000,000 of reduced importations would create $4,000,000 additional home production.

The CHAIRMAN. That is true without regard to the tariff. The tariff is only 50 per cent. That would make them sell for $1.50, and you say they sell at $2.

Mr. COLLET. Yes; on a tariff of 50 per cent. They are sold at $2 on the dollar invested. If you decrease the importations, which is the maximum possible under the duty of 70 per cent, you will therefore create a home production of $4,000,000. We would consume out of that $4,000,000 $1,633,000 in materials. Half of those materials only are imported. All of our raw material pays a duty of from 50 to 60 per cent; hence the raw material pays more duty, and has all the time, under any tariff, than the finished product. If we manufactured this $4,000,000 worth consumed, then half of the $1,633,000 of manufactured product would give you a revenue at 50 per cent of $408,250, which, in connection with the previous deficit of $200,000, would leave a net profit of $208,250 under present conditions.

Now, another thing: If while you are protecting the manufacturers and the workers you want revenue, let me suggest to you that in this paragraph 425, as it is written, flowers and feathers are two distinct articles, just as much as a coat and pants; one makes one and one makes the other. That is, there is not to-day a flower manufacturer who makes feathers. They are compelled to make fancy feathers, for the reason that if they did not do that they would be idle three or four months in the year. I used to close my factory three months in the year under the 50 per cent tariff, while the importers would go to the other side and place orders at the lowest possible price on that side—the foreign orders. I offered to give the importers the production of my factory, three or four hundred hands, for four months in any one year, charging nothing for myself, nothing for my wife at the head of the factory—and other help—just at the cost of materials and labor, and I could not get the orders from them. They still would go on the other side. Now, what I want to say is, that if you want to raise revenue for the Government, you will find that if you protect this manufacturer—I suggest to you that here is an article compared to diamonds—suppose you were to raise the duty on diamonds 15 or 20 per cent; they must come in. The ostrich feather is a foreign production, and it must come in. You can raise the raw material, the feathers, 20 or 30 per cent, and the lady will pay more for the feathers. It is the same kind of an argument that Mr. Littauer made before this committee a few weeks ago, where he said that the girl up in his town would buy the feather anyhow and go without lunches for a month. Now, here is a style; Dame Fashion creates something that is manufactured and supplied to our ladies, and which they desire. And on behalf of the laboring, the strictly laboring class, I want to say this, and I want to be clear in the suggestion that I make to you, that I am not in any way representing any manufacturer, or anybody else, but myself—excepting the laboring class of people generally. Your tariff has created a prosperity; there is no question about that. It has created an opportunity for labor which years ago got $2 a week, then $4, then $5, and $6, and on up.

The CHAIRMAN. I understood you to say at the outset that you had girls working at 25 cents a week to commence with, and they got up to $2 a week. Is that true?

Mr. COLLET. Positively.

The CHAIRMAN. Do you know where else you can get labor as cheap as that?

Mr. COLLET. No, sir; excepting in Europe. Not here.

The CHAIRMAN. Can you get it in Europe?

Mr. COLLET. I understand they do.

The CHAIRMAN. Twenty-five cents a week?

Mr. COLLET. Well, no.

The CHAIRMAN. And from 25 cents a week, by diligence, they get up as high as $2 a week.

Mr. COLLET. It takes time to make a flower maker. It is not a thing that you can pick up in five minutes. When one girl gave five or six weeks to learn, when I got out of business, and for two or three years before that, where I had to give a girl $2 to start, where a few years before she worked two months, then dropped back to six weeks, then one month, then two weeks, and then no week at all, to start. Under the present conditions to-day, with the increase of prosperity, everybody wants more pay; the labor people want it, and they get it. Girls want more pay than they ever have been getting.

Now, the importations in 1894 were $2,156,000. In 1905 they were $4,000,000, in round numbers. From 1905 to 1908 they have increased to $6,395,000. The cause of that was the foreigner keeping our manufacturers out in certain things, where our labor, our girls, would not work in the industry for what the manufacturers could afford to pay.

Mr. FORDNEY. What did you get out of the business for; because the tariff was not high enough?

Mr. COLLET. It just drove me out. In the last two years I simply made ends meet, and then I had to strain myself.

Mr. CRUMPACKER. You sold your business, didn't you?

Mr. COLLET. No; I have my tools to-day. I just closed up.

Mr. CRUMPACKER. You say you have your tools yet?

Mr. COLLET. I have them and anybody can buy them for 5 cents on the dollar.

Mr. CRUMPACKER. If you got a duty of 70 per cent on flowers and feathers, would you go back into the business again?

Mr. COLLET. It is not likely.

The CHAIRMAN. How long did it take you to accumulate that $30,000 that you spoke of?

Mr. COLLET. I started in with a $5 bill on the 4th of June, 1882.

The CHAIRMAN. You accumulated $30,000 when you retired?

Mr. COLLET. I retired nineteen years afterwards.

The CHAIRMAN. Did these girls who received 25 cents a week and on up to $2 a week have the same bank account?

Mr. COLLET. I paid my girls in Brooklyn when they came and started to work, on piecework, the same prices that they paid in New York City, the same prices that prevailed all around. I want to tell you right here that I made creations in that business that if I had gotten a patent on I would have made just the same. I made things nobody else could produce and can not produce to-day.

Mr. DALZELL. If you are not in this business now, and do not want to go back into it again, what is your interest in the tariff?

Mr. COLLET. My interest is a general interest in American prosperity.

The CHAIRMAN. Especially the laboring girls?

Mr. COLLET. Yes; and I like to see the girls well dressed, and they do dress better to-day than they did years ago. And I want to call your attention to the laboring classes—the hardships—that in any industry you couldn't employ help the whole year around in this

business, or eleven months in the year, and that is one reason why they do not like to go into it. The mothers came to my factory and told me that as I had to lay them off so long they would not go into it. It is hard for a girl to change her profession every year.

Mr. HILL. You started these girls in at no compensation at all for the first month, is that it?

Mr. COLLET. I am talking of twenty-five or twenty-eight years ago.

Mr. HILL. I understood that at the beginning you started the workers in as apprentices without pay for a certain time, then small pay for a certain time, and then subsequently they were made piece-workers.

Mr. COLLET. Yes, sir.

Mr. HILL. After the girls had learned the trade, what would they earn weekly at piecework—the average of your workers?

Mr. COLLET. After their first year they would earn from five to seven dollars a week. In the second year they would earn up to $9 a week, and in the third year $12.

Mr. HILL. Is this a factory product in Europe, or is it a domestic product—a home product—that is, is it called a domestic industry or a factory industry? Is it made in the homes of the people or in the factories?

Mr. COLLET. The major part is made in factories in Europe. They have small factories at different points along the railroads, making certain things.

Mr. HILL. What is the total consumption of the artificial flowers and feathers in the United States?

Mr. COLLET. The total imports will show $12,000,000, while the manufactures are $6,000,000—$18,000,000 in round numbers.

Mr. HILL. Of artificial goods?

Mr. COLLET. Of artificial goods. That is at the factory price.

Mr. HILL. Do we make the fine class of these goods, and do we compete in the open market with the foreign importations upon the high-grade goods, such as would go on a $40 or a $50 hat?

Mr. COLLET. No, sir; we do not make them here.

Mr. HILL. Why?

Mr. COLLET. We make a trifle in this way: The milliner wants a certain flower, and the importer has not got the exact color. He comes and asks us to make the flower, and he will pay any price we ask, just the same as you would if you wanted a special decoration for your room.

Mr. HILL. Then the high-grade goods are imported and the cheaper grades of goods are manufactured here. Isn't that about the size of it?

Mr. COLLET. By our American ingenuity we have practically created a new kind of goods, something that is showy and something that requires very little labor, and there is a certain characteristic demand for these goods.

Mr. HILL. That is just what I wanted to get at. High-class goods that require a high grade of labor and an increased amount of labor are imported, while the low class of goods requiring a lower amount of labor is manufactured. Is there no way, in technical terms, by which the line can be drawn in the tariff bill?

Mr. COLLET. It is totally impossible.

Mr. HILL. I think we ought to get the revenue on what we can not manufacture.

Mr. COLLET. You make it general; you can not make it specific.

Mr. HILL. Is there any staple market price in Europe for these goods, or does each manufacturer fix the price according to his success in developing something that meets the popular taste?

Mr. COLLET. That is what it is.

Mr. HILL. There is no specific market price for these artificial goods like there is upon gloves or boots and shoes or clothing or anything of that kind; it is a fancy product which meets a fancy price or else is of no value?

Mr. COLLET. That is right. Take my brother, who is in the business to-day with 35 hands at the most; he produces in one year over 400 different styles, with only a little bit of a manufactory, and with only 35 hands at the most when they are busy. He creates over 400 different styles in one year.

The CHAIRMAN. If these goods are held past the season, they are of no value, generally speaking, are they?

Mr. COLLET. They are of value with few exceptions. They are kept in stock.

The CHAIRMAN. Why do the milliners of the country sell out their stock on hand at cost price at the end of the season?

Mr. COLLET. If you have such things as shoe laces in boxes containing grosses, and so on, they are solid goods, and they are left on the shelves. But if you have broken boxes, and the milliner has a few flowers, this and that, they are sold out cheap. The goods in stock are imported goods, and with very few exceptions are very good. The feather importer buys continually and accumulates a stock. This year he sells a certain stock, next year another, and next year another. In the course of ten years he has sold everything. As to the flowers, there is very little valuation. When the style changes, they gradually change. Once in a while they get a spurt of certain articles, and if it wasn't for that the manufacturer would not exist. There was one season when we doubled our prices on account of a very heavy demand for only six weeks, when anything could be sold, any colors, but that was only momentary. One employer would offer a girl $6 a week, while another would say, "If you come to me I will give you twenty." But it did not last but a little while.

Mr. CRUMPACKER. How are these flowers invoiced?

Mr. COLLET. By the dozen or the gross.

Mr. CRUMPACKER. Do you not have a graduated ad valorem tax on grades where they are worth less than so much per dozen—that is, the tax would be 40 per cent—where they are worth between certain high points, and 50 per cent, and still above that?

Mr. COLLET. No, sir; because that would be most unfair. It is on its actual ad valorem. In the fine trade there are some roses costing $6 or $8 a dozen. There are two or three grades of roses, when they are fashionable, that can be sold to the bon ton, while in two weeks that same line of custom might purchase one of the so-called "cheap articles" of the importer. Take the forget-me-nots; they are sold for between 35 and 40 cents, imported, while I have paid as high as 60 to 75 cents to make them. But the trade might require that article. That trade might consume on the $45 hat those 35 to 45 cent articles——

Mr. CRUMPACKER. Are artificial leaves made a specialty?

Mr. COLLET. There is in this country to-day no leaf manufacturers. The minute you create you bring the manufacturers back to the old-time specializing. That is the greatest secret of manufacture, to specialize. When I had two or three hundred help employed, on 50 per cent of that help the work would be changed three or four times a day.

BRIEF FILED BY JULES AUGUST COLLET, NEW YORK CITY, FOR THE ASSOCIATED FLOWER AND FANCY FEATHER MANUFACTURERS OF AMERICA.

NEW YORK, *December 10, 1908.*

MEMBERS OF THE COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: The manufacturers of artificial flowers and fancy feathers in the United States, representing an industry composed of over 200 manufacturers, 6,000 employees (principally females), a capital investment of $2,000,000, respectfully petition your committee to recommend a revision of section 425 of the present tariff, pertaining to artificial flowers and fancy feathers.

Our contention is that this class of merchandise should be subject to a duty of not less than 70 per cent ad valorem, instead of 50 per cent ad valorem, for the following reasons:

First. In forming the Dingley bill there must have been some misconception as to the proper rate of duty for artificial flowers and fancy feathers in placing them under a 50 per cent ad valorem duty, when articles that are certainly of the same class and character are all subject to a 60 per cent ad valorem duty, as, for instance:

Schedule B, sections 95–96. China, crockery, earthenware, cut glass, etc.

Schedule C, section 179. Braids, laces, trimmings made wholly or in part of tinsel wire.

Schedule J, section 339. Articles of cotton, curtains, bed sets, corsets, flounces, handkerchiefs, embroideries, trimmings.

Schedule K, section 369. Women's and children's dress goods.

Schedule K, section 370. Clothing and articles of wearing apparel.

Schedule K, section 371. Fringes, cords, nets, buttons, dress trimmings, etc.

Schedule L, section 390. Articles of silk, veilings, laces, braids, gloves, trimmings, wearing apparel, etc.

Schedule N, section 408. Trimmings and all articles made wholly or in part of beads.

Schedule N, section 434. Jewelry.

Schedule N, section 459. Pipes and smokers' articles.

As articles of luxury artificial flowers and fancy feathers should be subject to a higher rate of duty than is placed on the aforesaid articles, both for purposes of revenue and protection. Had flowers and feathers been listed at 60 per cent it would have added, during the operation of the Dingley bill, the handsome additional revenue to the Government of $4,000,000, without in the least placing an extra burden upon the American consumer.

Second. The materials used in making artificial flowers and fancy feathers are subject to a duty of not less than 50 per cent ad valorem,

in most instances 60 per cent or more, hence the duty on materials is greater than on the manufactured article, and the materials used constitute 40 per cent of the value of the finished article.

Principal materials used are silk fabrics, silk velvets, velveteens, medium grades of cotton fabrics, dutiable as per Schedule L, paragraphs 308, 386, 387.

Third. An increase in duty on artificial flowers and fancy feathers would not reduce the Government's revenue, as the following figures will show: From June, 1894, to June, 1895, the importations of artificial flowers and fancy feathers amounted to $2,156,557. The duty at 35 per cent produced a revenue of $754,795. From June, 1907, to June, 1908, the importations amounted to $6,395,233. The duty at 50 per cent produced a revenue of $3,197,617.

An increase in duty, even though it should tend to reduce the steady increase in importations, would, on the present basis, result in an increased revenue to the Government, as following example will show:

Example in round figures.

Present importation value	$6,000,000	
Revenue therefrom		$3,000,000
Maximum possible reduction, one-third	2,000,000	
Amount subject to 70 per cent duty	4,000.000	
Revenue therefrom		2,800,000
Apparent deficit		200,000
General statement: Goods valued at $1 abroad are sold at a cost of $2 in America. Two million dollars reduction in importations would create $4,000,000 additional home production. One million six hundred and thirty-three thousand dollars of this home production would be materials. One-half of this material is foreign and subject to minimum duty of 50 per cent, creating a revenue of		408,250
Net increase in revenue		$208,250

The $4,000,000 increase in home production would mean an expenditure for labor amounting to $1,100,000, which averaged at $8 per week would furnish steady employment to at least 2,500 additional workers.

We contend the reduction in importation will not exceed 25 per cent, and that the calculation of one-third above cited is for the guidance of your committee and should be considered by you only as the extreme possibility. In evidence hereof we call attention to the statistics shown below, operating under an increase tariff from 35 to 50 per cent from 1895 to 1908, showing the increase importations of 200 per cent, as against the increase of home production of 50 per cent.

Statistics of importations taken from custom-house records.

From June 30, 1894, to June 30, 1895	$2,156,557
From June 30, 1895, to June 30, 1896	2,711,002
From June 30, 1896, to June 30, 1897	2,850,825
From June 30, 1897, to June 30, 1898	3,022,442
From June 30, 1898, to June 30, 1899	2,756,080
From June 30, 1899, to June 30, 1900	2,297,025
From June 30, 1900, to June 30, 1901	2,122,746
From June 30, 1901, to June 30, 1902	2,940,341
From June 30, 1902, to June 30, 1903	2,660,255
From June 30, 1903, to June 30, 1904	2,590,449

From June 30, 1904, to June 30, 1905	$2,516,730
From June 30, 1905, to June 30, 1906	4,018,352
From June 30, 1906, to June 30, 1907	5,139,083
From June 30, 1907, to June 30, 1908	6,395,235

The selling value of these importations is double the cost as here shown.

The domestic industry can not furnish exact figures, but the following is a fair estimate, computed on reliable information gathered from the manufacturers at present engaged in this industry:

Number of manufacturers	200
Total value of annual production (about)	$6,000,000
Number of employees	6,000
Amount of wages, per week	$8 to $10
Amount of wages paid per annum	$2,300,000
Amount of material used per annum	$2,500,000
Amount of fixed charges	$300,000
Average profits, subject to bad accounts	$600,000

Please note imports have trebled from 1905 to 1908, due to American prosperity, which created an advance in salaries, which domestic manufacturers could not meet, thus favoring imports.

Fifth. The cost of these goods is less to the American consumer to-day, under a 50 per cent duty, than it was in 1895, under a 35 per cent duty, for this reason: The present tariff has made it possible to establish manufacturers in America able to compete with foreign manufacturers on some articles, and compelled the latter to quote the lowest possible prices to American buyers.

In order to employ their help constantly during the dull season from May till November, the foreign manufacturers accept orders from American importers at prices very much lower than they receive from buyers in their home market and on the Continent.

It is therefore self-evident that any reduction of the present tariff on artificial flowers and fancy feathers would prove destructive to the home industry, giving the foreign manufacturers control of our market, and they would then undoubtedly arbitrarily raise their prices to the American buyers.

Sixth. A higher duty would influence the placing of advance orders in America instead of Europe, thereby providing steady employment for the entire year to a greater number of workers at the present or better wages. Place a higher duty on the imported goods in this line and you will give the home industry an impetus which will result in the employment of thousands of workers at good wages in addition to those now engaged, practically creating a new working force in America, as the making of artificial flowers and fancy feathers requires skill and dexterity, as all work is by hand. The employment is clean, healthful, and artistic. The employees are mostly females, earning from $8 to $10 per week, working fifty-two hours per week.

Seventh. The scale of wages in this line in Europe is less than one-half the scale of the American labor.

Eighth. Rents, fixed charges, and other expenses in America are more than double those existing in this line in Europe.

Ninth. Modern methods of transportation have brought the American market in closer touch with the foreign manufacturers and rates of transportation have been reduced.

Tenth. Owing to the nature of the business, no trust or combination can control the industry. Anyone with a small capital and

knowledge of the business can start a factory. No large fortunes have been made in the home industry by any concern.

Eleventh. We particularly request that all cartons, packing cases, etc., be included in the dutiable charge, because we manufacturers must supply the same to our customers. The importers use their boxes and cases for reshipment. Fifty per cent duty on cartons and cases averages fully 7 per cent on the goods contained therein, and if given to the importer the consumer will never receive it. (The item is too small when it reaches the consumer.)

Twelfth. We leave to your consideration the effects and purchasing powers of an additional $1,100,000 paid to wage-earners (not now paid), and also the wages paid out of $816,250 of home products, which we, as manufacturers, must purchase if you give us 70 per cent duty. This we base on being able to produce maximum, one-third of present imports. As a further revenue, it is fair to state that as population increases so will imports proportionately.

In conclusion permit us to emphasize the fact that the artificial-flower and fancy-feather manufacturing industry in America is only partially developed. If your committee will adopt the suggestions briefly outlined herein and recommend a higher rate of duty on the imported goods in this line, you will be instrumental in developing the American industry to a high state of efficiency, thus placing same on a more equitable competitive basis with foreign manufacturers, whose great weapon of competition is free material and cheaper labor. Do this, gentlemen, and by your action you will make it impossible for the foreign manufacturers to control the American market to the detriment of the American consumer, the home industry, its present and future employees. It is a most worthy cause and one that will meet with the hearty approval of every true American.

Respectfully submitted.

THE ASSOCIATED FLOWER AND FANCY FEATHER MANUFACTURERS OF AMERICA.

ADDITIONAL STATEMENT OF PETER ZUCKER, OF 45 BROADWAY, NEW YORK, RELATIVE TO MILLINERY ORNAMENTS.

SATURDAY, *December 12, 1908.*

(The witness was previously sworn.)

Mr. HILL. Do you manufacture directly in competition upon all these lines of importations which are shown in the statement?

Mr. ZUCKER. We do not.

Mr. HILL. Will you try to explain the difference between where competition does come into the United States and where there is no competition?

Mr. ZUCKER. I will try. I am not a manufacturer, but only an attorney; but it so happens that I am related to one of the largest importers in the United States, perhaps the largest, who is also a large manufacturer. I have been in Paris and watched the purchases, and upon one thing, before the gentleman sits down, I want to take issue with him——

Mr. HILL. But I wish you would answer my question.

Mr. ZUCKER. We can never, as I am given to understand, go into competition with Europe upon the finer grades of goods, and for this reason, and I will touch upon it again: We do not originate the stuff. That is the whole thing in a nutshell. Until we can originate the stuff and get the American milliners to take our hats, and not look to Europe, we will never be able to compete with them. That is the whole thing in a nutshell. That is an inexorable fact. We have got to import, we always will import, until you change the styles here, and originate them here.

Mr. HILL. That is, if we originated the style, and followed it. Is there a sharp distinction drawn between what we do manufacture and what we import?

Mr. ZUCKER. Absolutely. We manufacture nothing but the cheapest grades of goods, and we import the high grades. Not alone the higher grades, but the better grades, because I make a distinction between a $200 hat and a $2 hat.

Mr. HILL. Are there technical terms that describe those two different classes of goods, or is it simply a question of production only?

Mr. ZUCKER. It is not either one or the other, in my opinion. You take a real fine rose—it is called a rose, but I do not know exactly what name you would give it—but when that rose comes here, if we say it is going to be the style, the manufacturer who has capital will put his workmen on it, imitate it as closely as he can, because he feels that it is going to be the style, and that he can compete. But the original imported article can not be secured in any other way, and I do not think there is any way of classification.

Mr. HILL. In the importation of this rose, which may be of double value to-day, what it would be next year, or, say, last year——

Mr. ZUCKER. Next year they have no value.

Mr. HILL. How is the valuation fixed by the Board of Appraisers?

Mr. ZUCKER. Upon the cost price abroad.

Mr. HILL. Is it the cost price, or an arbitrary valuation price, according to the fashion?

Mr. ZUCKER. There is no arbitrary over there. When this gentleman stated that he had dealers over there fix arbitrary prices, he states what I regret to say—he is mistaken about it absolutely. There is not a difference of a cent. That is absolutely a fixed price.

Mr. HILL. Fluctuation in value comes with the retailer and not with the manufacturer—the wholesaler.

Mr. ZUCKER. Precisely, and the wholesaler over there has his fixed price as much as here. There isn't any difference. It is when you get to the retailer, and pay a fancy price—but that is in the extreme cases only.

Mr. HILL. Is there any way by which we can get any more revenue out of this compulsory import?

Mr. ZUCKER. If you put a compulsory revenue on it.

Mr. HILL. What would be the effect of increasing the duty, would it reduce the importations or bring us more revenue?

Mr. ZUCKER. I do not think you would decrease the importations the slightest; that is my belief.

Mr. HILL. Would it increase the importation of the cheaper grades if we reduced the duty on that classification?

Mr. ZUCKER. Do you mean reduce the 50 per cent?

Mr. HILL. Yes; on articles below a certain value.

Mr. ZUCKER. Then you would bring in the cheapest grades again.

Mr. HILL. If we increase the rate of duty, it would not decrease the high-priced importations?

Mr. TUCKER. No, sir.

Mr. CRUMPACKER. It would not protect the American manufacturer?

Mr. ZUCKER. Not at all.

Mr. CRUMPACKER. Because they do not come in competition?

Mr. ZUCKER. No.

Mr. DALZELL. If it were possible to employ two different rates of duty, one on the low class of goods and one on the high class of goods, would you not think that advisable?

Mr. ZUCKER. It would be, but it can not be done.

Mr. DALZELL. Suppose you were called upon to make a tariff after that fashion, imposing one rate of duty on the high class of goods and another on the low class, how would you do it?

Mr. ZUCKER. I say that it can not be done. I would not know how.

Mr. RANDELL. Is not an ad valorem duty different?

Mr. DALZELL. Certainly. Is there not a difference between these two grades of goods measured by their value? Is not there some point where the high class of goods begins and the low class of goods ends in value?

Mr. ZUCKER. I do not think so. I told you how they make the cheaper grades. They put on all of their cheapest labor.

The CHAIRMAN. There are hundreds of different articles that come in under this schedule. There is on an article of this value so much duty, and on another article above that so much duty; it would be impossible to go into detail.

Mr. ZUCKER. That is right.

The CHAIRMAN. Do you agree with the statement that $20,000,000 worth of these goods are made in this country? How many do you say?

Mr. COLLET. I said $18,000,000 worth.

Mr. ZUCKER. My clients alone have about $26,000,000 invested in this industry. I do not know what their sales are.

Now, one of the things that I was going to say is this: I believe that 75 per cent of those engaged in manufacturing these goods in the United States do not ask for this increase. It is only the cheapest, and the smallest in capitalization; nearly all foreigners. And this gentleman here, Mr. Collet, hears what I say—those that employ the cheapest girls and pay the cheapest wages; those are the manufacturers who ask for this increase.

The CHAIRMAN. Is there an active competition amongst the manufacturers here?

Mr. ZUCKER. No; except among the cheaper grades. You take the higher grade of manufacturers, and they can only manufacture on repetition orders. For instance, a man is over there now buying for the house, and he says that a certain forget-me-not is going to be the style. He will buy that in large quantities. He sends over some of it right away to his house and he says, "I believe you can take chances on that and manufacture it." But even then we can not manufacture any great amount, because the high-grade skilled labor of Europe that has been developed perhaps for centuries, from father to son—

they are not in this country. And then we can not afford to keep these all the time, because we do not know until the repetition orders come in how much work we will have. But we take the chance and manufacture it. We can sell perhaps to certain milliners who get crowded for orders and can not get the article fast enough from Paris. We can manufacture to a certain extent. We do not enter into the competition with the cheap manufacturer—do not touch that article at all. He only makes the very cheapest article with the cheapest labor, and how it is going to even help him, to increase this duty, in spite of what he says, I can not see.

The CHAIRMAN. In your opinion, is the entire duty added to the price by the domestic manufacturers of these goods, the equivalent amount?

Mr. ZUCKER. I can not answer that exactly, because I do not think I have technical information enough. But I do not think it is; but that is only an inference on my own part.

The CHAIRMAN. Is there such a competition in this country that he can not add the whole of the duty?

Mr. ZUCKER. I can not say. I do not represent any of those cheaper manufacturers.

The CHAIRMAN. I did not mean them, but I mean the manufacturers you do represent.

Mr. ZUCKER. They add, I think, the entire duty.

The CHAIRMAN. But that is only a matter of opinion?

Mr. ZUCKER. That is only a matter of opinion.

The CHAIRMAN. You have no personal knowledge?

Mr. ZUCKER. No.

Mr. BOUTELL. Have there been any charges of undervaluation in the admission of these high-class imported flowers, feathers, and fruits?

Mr. ZUCKER. I have not heard of anything of that kind in years—not for years. I have had a friendship with Mr. Stranahan, and I have discussed that subject with him more or less, and I do not think there has been any attempt on their part at all.

Mr. FORDNEY. Where are those goods made abroad—in what country?

Mr. ZUCKER. Both Italy and France. The better grades all in Paris.

Mr. FORDNEY. By whom is the market value of these goods made; by the importer, the expert from abroad?

Mr. ZUCKER. The foreign manufacturer fixes the cost price; he sells at a certain price. Our importer takes those goods to the American consul at Paris, who issues the original invoices. On that it is done.

Mr. FORDNEY. That is only since this so-called "German trade agreement" has been adopted. Has that always been the case?

Mr. ZUCKER. I understand that to be the case. I know it has been the rule for twelve years in my personal experience.

Mr. FORDNEY. That is, fixed abroad, and not by our Board of Appraisers?

Mr. ZUCKER. They have nothing to do with it, and have not had in twelve years. My personal experience does not extend back of that.

Mr. HILL. Are these what are called "sweat-shop goods?"

Mr. ZUCKER. I would only be speaking from hearsay upon that.

Mr. HILL. I did not mean to use that in an offensive way.

Mr. ZUCKER. I can only say in regard to that that they have the cheapest girls. I do not represent them, but the higher grade of manufacturers do not do anything of that kind. They have to pay higher prices.

Mr. HILL. Where are the factories that you represent located?

Mr. ZUCKER. What I would call on the better or the west side of Broadway. I do not want to use an offensive term in regard to that, but what I mean is along Broadway, near Houston street, and along there, where the rents are higher and the character of the stores is better.

Mr. HILL. But where are the factories located that you represent?

Mr. ZUCKER. The major part of them have them right above their importing houses.

Mr. HILL. Then they are right there on Broadway?

Mr. ZUCKER. On Broadway. He will have his store on the ground floor, and his factory on the three floors above.

Mr. HILL. Who is the largest manufacturer in this line in the United States?

Mr. ZUCKER. I should say of the better grade, Mr. George Legg, of New York City. And, by the way, he personally stated to me that he did not want any increase in this duty, and looking at it from the broadest point of view, he did not ask for a decrease, because there were so much goods on hand.

Mr. HILL. Is he an importer as well as a manufacturer?

Mr. ZUCKER. An importer and a manufacturer; in fact, the majority of these people are. The people who have the largest amount of capital invested in this business are both importers and manufacturers.

Mr. HILL. As a matter of fact, they import, and if the style catches on they go to work and duplicate it here.

Mr. ZUCKER. That is all they do. They can not originate it; they do not dare to do that; they do not know what will be in vogue next season.

The CHAIRMAN. The remedy is to originate the style here?

Mr. ZUCKER. This is what we would like to do, but can not do. The reason that that trade has increased is because of the prosperity; the women buy more hats than they did before, that is all.

Mr. FORDNEY. They have more money with which to buy them?

Mr. ZUCKER. Yes; and they want better hats.

ADDITIONAL STATEMENT MADE BY JULES A. COLLET, NEW YORK CITY, RELATIVE TO ARTIFICIAL FLOWERS.

SATURDAY, *December 12, 1908.*

(The witness was previously sworn.)

Mr. COLLET. I wish to contradict my friend, politely, who has just sat down; but when he speaks to you as representing the importers and manufacturers, gentlemen, that is not true. That is plain English, but I can prove it. He represents simply the importers. Mr. George Legg, who he just mentioned, is the largest importer in the

United States and has been for years. Mr. Zucker, this gentleman's cousin, has been one of my biggest customers for years, a man that I have done a great deal of business with on the basis of $1.60 to dollar goods on the other side. Now, as to the entering of goods in undervaluation: I would not like to commit myself criminally, but I can assure you that I did know of it. I had been in Europe with a friend of mine and my wife thirteen or fourteen years ago, and we purchased five or six hundred dollars' worth of goods to bring home of the small manufacturers, and it was offered to us right away as to how much it could be undervalued. That was a plain, common, everyday thing at that time. There was a charge made to the custom-house by two importers a few years ago—you gentlemen can get hold of it, and I do not want to mention any names here, because I have it from hearsay and therefore I do not want to commit myself. But when this man says that I represent the poorest manufacturers, the cheapest labor, it is not true. The class of manufacturers that he has described to you does not amount to 2 per cent of the manufacturers, very little people, who work in their homes and make little specialties of fruit or grain that this schedule covers. I will give you some names here. Who is Mr. Lavanoux? Mr. A. W. Mass & Co., one of the best manufacturers, a man who can copy anything that is imported. I will give you some names: Max Herman, of Broadway; Guerin & Lavanoux, 51 West Third street; New York Flower and Feather Company, of Wooster street; A. T. Williams, Washington place; Lehman Brothers, Broadway and Third street; A. W. Mass & Co., 3 Bond street, New York; Meuer, on Great James street; Mr. Fletcher; and David Silva, 625 Broadway.

I do represent the manufacturers. I represent a class of manufacturers that will produce $100,000 worth of goods, and who do import $5,000 to $15,000 worth of goods——

The CHAIRMAN. So you stated at the outset.

Mr. COLLET. I want to say to you gentlemen that the reason why the importer only produces what he has to is because once a month he runs short of color that he uses in his factory and he can not get the imports quick enough. Now, as to the style. My own styles, created in this country, and other manufacturers' styles, have been taken by his cousin and by other importers. We can create here just as well, and the class of goods he says we can not make is the class of goods that we make the most of, as a matter of fact, the average-selling, popular goods. When he says we only make the cheapest goods in this country, when roses sell from $1.50 a gross up to $9 a dozen——

The CHAIRMAN. You may have three minutes more, Mr. Collet.

Mr. COLLET. I do not want to touch anything more, particularly. In conclusion, I want to say it is a very important matter, and I trust you will consider it, regardless of the $18,000,000 worth of business here. It is more vital than many other of the largest schedules, because this has a labor-giving capacity. Take belts, for instance. Our million dollars' worth of goods may take four times as much labor as a million dollars' worth of belts. I invite any of you gentlemen to prove any of my statements in two hours' time in New York City.

SUPPLEMENTAL BRIEF OF J. A. COLLET, NEW YORK CITY, RELATIVE TO IMPORTATION OF FLOWERS AND FEATHERS.

BROOKLYN, N. Y., *December 12, 1908.*

To the WAYS AND MEANS COMMITTEE.

GENTLEMEN: Either as part of my address or as a supplement as of December 12, 1908, I desire the following statement to be printed as being part thereof. I also want to make this statement under oath, to wit:

BROOKLYN, N. Y., *December 12, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: At a meeting held yesterday afternoon of the tariff committee of the Flower and Fancy Feather Manufacturers' Association, for which I speak now, I, myself, put this question to the members present of that committee: I request each of you gentlemen to feel as if each of you were under oath before a supreme court justice, and tell me what, in your opinion, will the present imports be reduced to if 70 per cent duty is fixed on flowers and fancy feathers? Answer: Edward Lavanoux, 30 per cent; Mr. De Jong, flowers 30 per cent, feathers 20 per cent; Mr. Rascover, 20 per cent; Joseph Frey, 15 per cent; A. T. Williams, 15 per cent; Mr. Meuer, 15 per cent; Mr. Pletscher, 20 per cent.

J. A. COLLET.

JACOB DE JONG, FOR ASSOCIATED FLOWER AND FANCY FEATHER MANUFACTURERS, FILES SUPPLEMENTAL BRIEF RELATIVE TO ARTIFICIAL FLOWERS AND FEATHERS.

NEW YORK CITY, *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: Supplementary to the few remarks made by me before your committee on November 28 upon the subject of artificial flowers and fancy feathers, covering section 425 of the present tariff act, I beg to submit the following memorandum:

Personally, as one of the leading manufacturers in this line and by authority of the Associated Manufacturers of America of flowers and fancy feathers, you are respectfully requested to increase the duty on artificial flowers and fancy feathers to such an extent as you may deem wise and proper.

The present duty is 50 per cent, and an increase of duty to either 60 or 70 per cent would greatly benefit the domestic industry. It is possible that under a duty of 70 per cent importations may be decreased to such an extent that might possibly reduce the revenue to the Government from this source, and believing, as I do, that the present tariff reform movement has for its object the reduction of duty on raw materials, which would naturally greatly reduce the country's revenues, it may be essential to only increase the tariff on articles of luxury such as ours only to such an extent as would tend to produce greater revenue, in order to offset the losses caused by articles being placed upon the free list, due consideration being

given to the fact that the Government at the present time is facing a large deficit.

If my reasoning in this respect is right and coincides with the opinions entertained by your committee, it is but natural and dutiful that any action taken must be in accordance with these facts.

The present importations in round figures amount to about $6,300,000 per annum, providing a revenue of about $3,150,000. Being thoroughly familiar with this subject, I am firmly convinced, as the future no doubt will prove, that a duty of 60 per cent may have the effect of checking the steady increase of importations in the future, but at the same time maintaining importations on the present basis, this would cause an increase in revenue of at least $600,000 per year, and I believe that under a duty of 70 per cent there may possibly be a slight increase in revenue, but I am not sure about this point, therefore if one of the objects of your committee in framing the new tariff law is to increase the duty on articles of luxury, in order to bring a greater revenue to the Government, and at the same time give ample protection to the home industry, I must confess that 60 per cent is the proper tariff on this class of goods, from every sensible, patriotic, and business view.

It may be stated right here that artificial flowers and fancy feathers should have been classified under a 60 per cent tariff in the present Dingley bill. Why this class of goods was placed at 50 per cent, when all other articles of this character, such as laces, braids, trimmings of every description, flounces, etc., are 60 per cent I can not understand, particularly as everything used in the trimming of a lady's hat, with the exception of artificial flowers and fancy feathers, pays 60 per cent at present; this, although your committee may not be experienced in the millinery line, must surely appear to you as an inconsistency, especially so when you bear in mind that had flowers and feathers been placed under a 60 per cent duty in the Dingley bill, it would have greatly helped the development of our home production, and at the same time provided an additional $4,000,000 to the revenue.

A duty of 60 per cent on artificial flowers and fancy feathers would give a wonderful impetus to our home industry. The manufacturers are satisfied to supply the gradual increased demand in this line. It is undeniable that this class of goods will always be imported to a certain extent, at least so long as American women insist upon getting the imported article, even though the domestic product may be superior. If they are willing to pay higher prices, simply because the article is imported, then by all means let the Government have the benefit.

The domestic manufacturers are gradually developing the home production, and have already made the domestic industry important enough to compete with foreign manufacturers to such an extent as to keep down arbitrary prices, formerly dictated by foreign producers.

Were it not for the fact that the domestic manufacturer is obliged to pay an average duty of nearly 50 per cent on most of the material he uses, and for the further fact that labor in this line here receives more than double the same labor in Europe, and also the greater expenses of rent and other fixed charges, the American manufacturer would need no protection whatever. Bearing in mind the differentiation between cost of materials, labor, rents, etc., a duty of 60 per cent only partly equalizes the cost of manufacture here with abroad. Were we to endeavor to fix a perfect equalization, it appears

that a duty of not less than 80 per cent would be necessary. There are other numerous reasons which appeal to your committee for advancing the duty on this class of goods, but they are somewhat intricate and technical, requiring the production of statistics and a more lengthy and complicated argument; for instance, the fact that the proportion of cost for landing this class of goods under a duty of 70–60–50 per cent would be as follows:

The article which would cost 17 cents to lay down here under a 50 per cent duty would cost 18 cents under a 60 per cent duty and 21 cents under a 70 per cent duty. You will thus notice that the increased cost of landing, between 50 per cent and 60 per cent, is not large enough to cause any great disturbance in importations but would still prove of great benefit to the domestic producer. While it is but natural that a duty of 70 per cent would be of immense benefit to the domestic manufacturers, we as manufacturers do not wish to appear before your committee as suppliants, asking Government aid for the boosting of our industry, but are quite willing to leave this matter open to your best judgment.

In conclusion, permit me to thank your committee and its secretary for the many courtesies and kindnesses shown to me. Knowing that your committee is endeavoring to conscientiously perform a great and difficult task, I trust your efforts will be crowned with success, and that the new tariff measure will meet with the approval of the country at large.

Respectfully submitted.

JACOB DE JONG,
Representing the Associated Flower and Fancy Feather Manufacturers of America.

THE NEW YORK IMPORTERS AND MANUFACTURERS OF ARTIFICIAL FLOWERS AND FEATHERS FILE BRIEF.

NEW YORK CITY, *December 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The New York importers and manufacturers of artificial flowers and fancy feathers petition the Ways and Means Committee to make no change in paragraph 425, relating to the duty on artificial flowers, which is now 50 per cent ad valorem.

There is no disposition on the part of the trade either to have the duty reduced or increased. It deems it advisable, under present conditions, to let well enough alone. These importers are likewise manufacturers, some of them being the largest manufacturers of American artificial flowers in this country, in which more capital is invested than in very many of the smaller plants combined, and, therefore, are equally, if not more desirous for the protection of their industry as are all the other manufacturers who are appealing for an increase of duty on this commodity. These importers and manufacturers whose sales rooms are on the ground floor of the expensive buildings located on Broadway, from Houston street north to Astor place, and on Fifth avenue, from Fourteenth street to Twenty-third street, and in the new palatial business buildings on

the side streets adjacent to Fifth avenue, employ thousands of men, women, and girls. Their factories are in the best sanitary condition and are located above the stores in which the goods are shown and offered for sale. They comply with every requirement of the factory law of the State of New York, and expend a great amount of money for the comfort and convenience of their employees. Hence no class of manufacturers can be more deeply interested in protection than these importers and manufacturers of flowers and feathers.

In this connection it may be stated for the information of the committee, that it is an impossibility for the American manufacturer to produce the cheaper lines of goods that are classed as artificial flowers and fancy feathers. Especially is this true of what are termed "small flowers," because foreign manufacturers have trained help making these goods from childhood. Their factories are under the strictest discipline, and produce great quantities all the year round, and they have the markets of the world to supply. Consequently, there is no dull season with them, and they are always ready to sell the merchandise which can not be produced in the American market, let the effort to do so be ever so strenuous. These goods are made by hand, produced cheaper, sold in larger quantities to American importers, and when in demand it would be impossible to produce enough merchandise of this character to supply such demand; hence the importation. When the goods are wanted, they must be delivered quickly; there will be no time to order them from the other side or to produce them in this market.

Again, the styles or patterns of these various flowers and fancy feathers originate in Paris, which is the center of fashion for the world, and after large quantities are imported, if any one or more articles or items become popular and are sold out, then, if it is possible so to do, the American manufacturers copy these articles, giving employment, as above stated, to thousands of hands. This particularly refers to the finer grade of merchandise.

There is no amount of protection that would interfere with the importation of the finer grade of goods. They must be had when wanted, and let the price be ever so high, the people will buy them. It is the consumer that pays the price, and the consumer in this instance is made up of the great middle class of this country; and here may we be permitted to state that this merchandise is utilized in the trimming of the popular grades of women's and misses' hats? The cheaper imported articles and the cheaper manufactured article is used in trimming what are termed the "cheap" grade of hats; but the women of this country, if they are in a position financially to buy good dress hats, will want them trimmed with the best of the imported articles. Whatever fashion dictates in this particular, women will have, let the price be what it may and let their circumstances be what they may.

In regard to the growth of the number of manufacturers, we beg leave to state that before the adoption of the Dingley bill there were few manufacturers, not over 25 or 30, in the United States. Under a protective tariff of 50 per cent this industry has increased to over 200, half of that number or more being located in the city of New York. All have thrived under a 50 per cent duty, many of them owning houses and lands and considered wealthy. Before the adoption of the factory laws of the State of New York many of these manufacturers

produced their merchandise in tenement houses, not only on the east and west sides of New York, but in Brooklyn, Jersey City, and Hoboken. Since the adoption of the factory laws, however, these manufacturers have been enabled to locate their plants in the cheaper factory buildings. Some of them employ many hands. Wages, however, are not equal to that paid by the manufacturers and importers, whose business locations are on Broadway and Fifth aveneue and on the side streets, as above referred to, and who employ a higher grade of help.

This question of duty on artificial flowers has practically nothing to do with the duty on hats, braids, or other millinery trimmings. It is an item in itself, dealt with exclusively by paragraph 425. It is satisfactory to the great bulk of importers and manufacturers of flowers and feathers, as well as to the jobbers or wholesale dealers, which are classed as middlemen, selling to the retail dealers. These people likewise are in accord with the importer and manufacturer in having the duty remain at 50 per cent.

There has been no one driven out of business by the importers, as stated by a manufacturer who claims to have made $50,000 in his business since the adoption of the Dingley bill because of this tariff of 50 per cent. On the contrary, the trade has grown marvelously since this man has been out of business. Failures have been few and far between, proving that this branch of the trade is in a prosperous condition and needs no further protection than it is receiving now at the hands of the Government. The increase of this duty above 50 per cent ad valorem will naturally fall upon the consumer, without at all proving beneficial to the domestic manufacturer.

The development of this business has been mainly due to the present tariff system, and to increase it now will not only cause distress among the consumers, but will hamper and interfere with conditions in importing and manufacturing lines that will prove distressing. If the duty is lowered, the large stock on hand will necessarily be forced to be marked down and sold at a great sacrifice during the coming months. If there is any interference with the present duty on the article referred to it will upset business conditions, especially in this branch of commerce.

Respectfully submitted.

PETER ZUCKER, *Counsel,*
For New York Importers and Manufacturers of Artificial Flowers and Feathers.

MILLINERY ORNAMENTS.

BRIEF IN BEHALF OF THE MILLINERY JOBBERS' ASSOCIATION OF THE UNITED STATES RELATIVE TO CLASSIFICATION OF MILLINERY ORNAMENTS.

NEW YORK CITY, *December 26, 1908.*

We desire that a paragraph should be added to the sundries schedule, which paragraph we desire should read as follows:

Hat pins and millinery ornaments of base metal, glass, paste, shell, collodion, wood, stone, or earthenware, or of which these substances, or either of them, is the component material of chief value, whether plated, polished, decorated, or otherwise ornamented, forty-five per centum ad valorem.

The purpose of this paragraph is to avoid the inconsistencies of the present administration of paragraphs 100 and 434, as related to hat pins and millinery ornaments. It would be useless to attempt to amend paragraphs 100 and 434 so as to obtain uniformity of classification and give assurance as to rates of duty which would apply to all hat pins and millinery ornaments.

Paragraph 100 reads as follows:

Glass bottles, decanters, or other vessels or articles of glass, cut, engraved, painted, colored, stained, silvered, gilded, etched, frosted, printed in any manner or otherwise ornamented, decorated, or ground (except such grinding as is necessary for filling stoppers), and any articles of which such glass is the component material of chief value, and porcelain, opal, and other blown glassware; all the foregoing, filled or unfilled, and whether their contents be dutiable or free, sixty per centum ad valorem.

Paragraph 434 reads as follows:

Articles commonly known as "jewelry," and parts thereof, finished or unfinished, not specially provided for in this act, including precious stones set, pearls set or strung, and cameos in frames, sixty per centum ad valorem.

Paragraph 100 is frequently invoked to cover millinery ornaments made of glass or paste in imitation of jet which have been polished so little that a magnifying glass is necessary to determine that it has been even touched to the polishing wheel.

Under paragraph 434 hat pins of various kinds have been assessed with dues at 60 per cent ad valorem. There is no assurance that the same hat pins will be considered jewelry twice in succession, or at two different ports at the same time; in other words, the distinction between hat pins which are jewlery and those which are not jewelry is so indefinite that it is wholly dependent upon the ideas of the different examiners at the different ports, and does not depend upon absolute facts.

Bearing in mind that millinery ornaments are of flimsy construction, and that no precious metals or stones are used in them or in the class of hat pins handled by milliners, and that they are not made nor sold by jewelers, it seems unjust to class them with the highest examples of the jeweler's art.

It is believed that the inclusion of the above proposed paragraph will eliminate a large percentage of the uncertainty which works more hardship to the importer than a high rate of duty impartially administered.

Second. We desire that a new paragraph shall be inserted in the tariff schedule, to immediately precede paragraph 409, and request that said paragraph shall read as follows:

Braids, plaits, laces, and plateaux, composed wholly or in chief value of flax, cotton, hemp, ramie, or other vegetable fiber, suitable for making or ornamenting hats, bonnets, or hoods, thirty-five per centum ad valorem.

Our reasons therefor are the following: Paragraph 409 reads as follows:

Braids, plaits, laces and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets or hoods, not bleached, dyed, colored or stained, fifteen per centum ad valorem; if bleached, dyed, colored, or stained, twenty per centum ad valorem; hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

Paragraph 339, which reads as follows:

Laces, lace window curtains, tidies, pillow shams, bed sets, insertings, flouncings, and other lace articles; handkerchiefs, napkins, wearing apparel, and other articles made wholly or in part of lace, or in imitation of lace; nets or nettings, veils and veilings, etamines, vitrages, neck rufflings, ruchings, tuckings, flutings, and quillings; embroideries and all trimmings, including braids, edgings, insertings, flouncings, galloons, gorings, and bands; wearing apparel, handkerchiefs, and other articles or fabrics embroidered in any manner by hand or machinery, whether with a letter, monogram, or otherwise; tamboured or appliquéed articles, fabrics or wearing apparel; hemstitched or tucked flouncings or skirtings, and articles made wholly or in part of rufflings, tuckings or ruchings; all of the foregoing, composed wholly or in chief value of flax, cotton, or other vegetable fiber, and not elsewhere specially provided for in this act, whether composed in part of India rubber or otherwise, sixty per centum ad valorem: *Provided*, That no wearing apparel or other article or textile fabric, when embroidered by hand or machinery, shall pay duty at a less rate than that imposed in any schedule of this act upon any embroideries of the materials of which such embroidery is composed—

covers all braids made of cotton or other vegetable fiber, but the braids in that paragraph are included under the heading "Trimmings," while the braids which are covered by the above proposed paragraph are used chiefly in the manufacture of hats, and are similar in no respects to straw braids, and are in that sense a raw material. It would, therefore, seem that the rate of duty thereon should not be the same as that provided for trimmings and laces.

It would be impracticable to so amend paragraph 339 as to accomplish the object desired, and, as these braids are closely associated in use and appearance to the straw braids subject of paragraph 409, the above new paragraph is suggested as being the best means for accomplishing the object.

Third. We desire a slight amendment to paragraph 251, which said paragraph now reads as follows:

Orchids, palms, dracaenas, crotons and azaleas, tulips, hyacinths, narcissi, jonquils, lilies, lilies of the valley, and all other bulbs, bulbous roots, or corms, which are cultivated for their flowers, and natural flowers of all kinds, preserved or fresh, suitable for decorative purposes, twenty-five per centum ad valorem.

We desire that the paragraph be amended so as to read as follows after amendment:

Orchids, palms, dracaenas, crotons and azaleas, tulips, hyacinths, narcissi, jonquils, lilies, lilies of the valley, and all other bulbs, bulbous roots, or corms, which are cultivated for their flowers, twenty-five per centum ad valorem; and natural grasses, grains, leaves, and flowers, when colored or in any manner treated for preservation, fifteen per centum ad valorem.

This amendment covers natural flowers, leaves, etc., which have undergone simple processes only of preservation and its incidental coloring. The uses so far as the millinery trade is concerned to which these articles are put assimilate closely to those to which crude feathers are put, and it therefore follows that a low rate of duty only should be provided for.

Fourth. We desire an amendment to paragraph 386. Paragraph 386 now reads as follows:

Velvets, velvet or plush ribbons, chenilles, or other pile fabrics, cut or uncut, composed of silk, or of which silk is the component material of chief value, not specially provided for in this act, one dollar and fifty cents per pound and fifteen per centum ad valorem; plushes, composed of silk, or of which silk is the component material of chief value, one dollar per pound and fifteen per centum ad valorem; but in no case shall the foregoing articles pay a less rate of duty than fifty per centum ad valorem.

As amended, we desire that said paragraph shall read as follows:

Velvets, plushes, velvet or plush ribbons, chenilles, or other pile fabrics, cut or uncut, composed of silk, or of which silk is the component material of chief value, not specially provided for in this act, fifty per centum ad valorem.

And our reasons therefor are as follows:

The compound rate of a dollar and a half per pound and 15 per cent ad valorem was undoubtedly originally based upon a cost to produce in existence prior to 1897, and therefore does not at the present time represent a proper equivalent ad valorem rate of duty. A rate per pound assessed on goods bought and sold per yard is never equitable, and causes small differences, dependent upon the color, sometimes conditions of atmosphere when weighed, etc., which are more annoying to the importer and more expensive to the Government to collect than high ad valorem rates of duty.

The elimination of this compound charge of $1.50 per pound and 15 per cent would make very little difference in the amount collected by the Government and make it possible for an importer to figure prospective costs with reasonable accuracy. Velvets and silks vary in weight according to the color dyed, some colors weighing more than others. An entry is made on a large shipment of the same grade of velvet at, say, 50 per cent, the rate apparently highest on each case. On liquidating the importer finds that the liquidator has changed the rate to $1.50 and 15 per cent on certain pieces which are shown to be extra heavy. An unexpected advance is thereby made in the cost of the shipment, which must be met by advance in price on the whole lot, as the particular lot on which the rate is advanced is no more valuable than the others.

We think that what has been said will show the justice of the amendment that we are asking for.

Fifth. We desire an amendment to paragraph 409. Paragraph 409, as it stands, reads as follows:

Braids, plaits, laces, and willow sheets or squares, composed wholly of straw, chip, grass, palm leaf, willow, osier, or rattan, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, fifteen per centum ad valorem; if bleached, dyed, colored or stained, twenty per centum ad valorem; hats, bonnets, and hoods, composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

We desire an amendment which will make the paragraph read as follows:

Braids, plaits, laces, plateaux, and sheets or squares, composed wholly or in chief value of straw, chip, grass, palm leaf, willow, osier, or rattan, or either of them, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored or stained, fifteen per centum ad valorem; if bleached, dyed, colored or stained, twenty per centum ad valorem; hats, bonnets, and hoods composed of straw, chip, grass, palm leaf, willow, osier, or rattan, whether wholly or partly manufactured, but not trimmed, thirty-five per centum ad valorem; if trimmed, fifty per centum ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

The principal objection to paragraph 409 as it now stands is the fact that it contains the word "wholly" in the first paragraph and thereby eliminates the only kind of willow squares known to the millinery trade from being dutiable thereunder, because the commercial willow square has a backing of cotton which forms an almost imperceptible per cent of the cost; and, further, a straw braid in fan-

ciful design is not included within the provisions of this paragraph because of the presence of a few cotton threads for use merely to hold together the straw, which cotton threads form an insignificant proportion of the value. It is therefore suggested that the insertion of the words "or in chief value" after the word "wholly" would permit the importation of all hat braids in chief value of any of the materials named in paragraph 409 at the same rate of duty, and would relieve the uncertainty in determining component materials of chief value in braids for making hats.

The word "plateaux" should be inserted, as these articles when made of any of the materials mentioned in the paragraph are used for the same purposes as braids, plaits, laces, and sheets. The word "willow" before the words "sheets or squares" has been cut out of the proposed paragraph, as its presence amounts to an absurdity in view of the fact that the subsequent language amply covers it.

Sixth. We desire paragraph 425 amended. This paragraph now reads as follows:

Feathers and downs of all kinds, including bird skins, or parts thereof, with the feathers on, crude or not dressed, colored, or otherwise advanced or manufactured in any manner, not specially provided for in this act, fifteen per centum ad valorem; when dressed, colored, or otherwise advanced or manufactured in any manner, including quilts of down and other manufactures of down, and also dressed and finished birds suitable for millinery ornaments, and artificial or ornamental feathers, fruits, grains, leaves, flowers, and stems, or parts thereof, of whatever material composed, not specially provided for in this act, fifty per centum ad valorem.

We desire the paragraph to be amended so as to read as follows:

Feathers and downs of all kinds, including bird skins or parts thereof with the feathers on, crude or cleaned, but not dressed, colored, or otherwise advanced or manufactured in any manner, not specially provided for in this act, fifteen per centum ad valorem; when dressed, colored, or otherwise advanced or manufactured in any manner, including quilts of down and other manufactures of down, and also dressed and finished birds suitable for millinery ornaments, and artificial fruits, grains, leaves, flowers, and stems, or parts thereof, of whatever material composed, and articles composed wholly or in chief value of the foregoing or either of them, not specially provided for in this act, fifty per centum ad valorem.

The first change in this paragraph is in the addition of the word "cleaned" after the word "crude" in the first part of the paragraph. This provision will permit the importation of feathers which are in their natural state but which have had the foreign matter adhering to them removed by washing, and it will relieve some such an absurdity as actually occurred in the importation of feathers which had not been changed in condition by any process. Some feathers were imported into the port of Chicago; part of them apparently had been cleaned and another part had not. The apparently cleaned portion were assessed for duty at 50 per cent as feathers advanced, while the uncleaned portion were assessed at 15 per cent as crude feathers. It was later established that all the feathers were in a crude condition and had never been cleaned by artificial means, but, as it was alleged, came from the clean parts of the bird. There are some inequalities in the administration of this paragraph which would be done away with by the above-proposed change.

The other changes in phraseology would serve to eliminate questions which have arisen and are still unsettled and are now pending in the United States court.

Respectfully submitted. PETER ZUCKER,
Counsel for the Millinery Jobbers' Association of the United States.

FURS.

[Paragraphs 426, 450, 561, and 562.]

THE FUR SKIN DRESSERS' UNION, NEW YORK CITY, FAVORS A HIGHER TARIFF ON FURS MADE INTO PLATES.

NEW YORK, *November 25, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned, represent the Fur Skin Dressers' Union, an organization of workingmen employed in the trade of dressing fur skins.

The said organization favors a higher tariff on all furs dressed on the skin, manufactured, and made into so-called plates.

The present duty on manufactured goods is 35 per cent ad valorem and on dressed furs 20 per cent ad valorem.

From the table prepared by the Commissioner of Labor we find that the wages of furriers in the five-year period of 1885 to 1889 were $3.39 per day; between 1891 and 1893 the average wages fell to $2.02; in 1895 to 1896 they were $2.06, and between 1897 and 1901 they averaged $2.19 per day.

From the statistics obtainable and from our knowledge of the trade we estimate the wages of 1901 to 1908 at about $2 per day.

We ascribe the fall of wages in our trade largely to the effects of the present tariff.

Under the present tariff we are placed in direct competition with the cheaper labor of European fur workers, and, furthermore, we do not get enough work.

The dressed furs imported from Europe are, in a number of cases, practically manufactured and sewn into linings, or "plates" as they are termed, and are sent into our market under the schedule of skins with a duty of 20 per cent ad valorem under the present law, instead of 35 per cent ad valorem.

We also find that the importation into this country has grown in thirteen years from $7,620,084 to $21,883,667, while our exports have, during the same period of time, increased from $4,238,690 to $7,139,221, thus plainly showing a balance of trade in favor of the European market.

The work of dressing furs in this country is in the hands of skilled mechanics, who find it absolutely impossible to compete with the cheaper European labor, and especially with labor employed on the cheaper grades of furs.

On the other hand, there is not enough work in the fur trade in this country at present to warrant any experiments with more economical methods of production.

Therefore, we ask you to commend in behalf of the fur workers of this country an increase in the tariff on dressed furs from 20 per cent to 40 per cent, which would naturally cause the importation of low-priced goods from Europe to become less profitable, and this would result in the development of a fur industry in this country which would excel that of the European countries.

All of which is respectfully submitted.

EDW. J. ANDERSON.
ALBERT L. HETZE.
CONRAD KOTHE.

REPRESENTATIVES OF THE FUR DRESSERS AND FUR DYERS ASK AN INCREASE OF DUTY ON THEIR PRODUCTS.

NEW YORK, *November 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned represent the fur dressers and the fur dyers of the United States. This interest is not a trust. It is not a monopoly. We are not manufacturers. We are not importers. We are not dealers. We are simply laborers, workingmen. Some of us are contractors, that is to say, we employ numbers of men to do our work for us in factories appointed and arranged for that purpose. But we are all laborers, nevertheless.

A very brief statement of the method in which the business is at present conducted may not be out of place.

Your honorable committee will find upon investigation that a very large percentage, perhaps 90 per cent, of the furs which are the subject of this brief are caught or trapped in this country, that is to say in America, in various parts of this country. When so caught and trapped they are thereafter handled by the trapper or hunter and sent in quantities to the New York commission merchants in their rough, original, natural state.

These New York commission merchants in turn send these various skins (furs), a detailed list of which your honorable committee will find specifically mentioned hereafter, to the London auction rooms; some also to Leipzig, in Germany, and there these raw skins (furs) are sold, and thus the price on these skins (furs) is established.

Now, up to this time we have no fault to find, no objection to make.

Now, our plaint is as follows: After these skins (furs) are sold at London or Leipzig, as the case may be, then the trouble begins.

That is where this honorable committee must come to the relief of the American laborer.

Now, how does it work to-day?

The result of the auction sales at London and Leipzig is that these skins (furs) of the various kinds mentioned hereafter are distributed to buyers resident in various parts of the world. Having bought and gotten possession of and title to them, they immediately arrange with the dresser and dyer of London and Leipzig for the dyeing and for the dressing of these skins (furs) which, on account of the ridiculously low price of labor as compared with our price here, as your honorable committee will readily see, means that more than 50 per cent of the labor is done in foreign countries, to the exclusion of our American workmen.

After the London and Leipzig dyer and dresser has dressed and dyed these skins (furs) he puts them in what we call "plates"—that is to say, a number of skins (furs) all stitched or fastened together and forming a "plate" of about 36 by 40 inches, and by this simple trick and device they come in as dressed and dyed skins (furs) "not manufactured" and pass through our custom-house at a 20 per cent tariff.

Now, what is the remedy?

As stated above, we have no objection to the raw skins (furs) being sent to London and Leipzig for sale and there distributed at whatever price they may be sold at.

What we object to is the work and labor on these skins (furs) being done on the other side at prices with which our American labor can not compete.

And what is the result?

Our American labor has work distributed over a period of twelve months which should be done in about six months. In other words, our people are working half time; idle the rest of the time. Fancy the condition of affairs where our working people, willing and anxious to work, their employers and contractors willing and anxious to give them work, are prevented simply by this unjust and unrighteous tariff on these articles.

What is the remedy?

Put a 40 per cent tariff instead of a 20 per cent tariff on these skins (furs) and the trick is done at once.

Let this honorable committee not forget that 90 per cent of these skins (furs) (hereinafter mentioned) are raised in America and by the trick and device mentioned and described above our own people are prevented from dressing and dyeing, deodorizing, and preparing for market these various skins (furs) of animals born and raised on this soil.

It is as though our Congress deliberately acted in the interests of foreigners, and with the design to keep work away from our own American people.

But, of course, we know that such is not the case.

We know that the Congress is placed in a false position by this wrongful tariff on these articles.

Let us repeat again: We are not importers, we are not exporters, we are not manufacturers, we are not dealers, we have nothing to buy, we have nothing to sell; we are laborers pure and simple, asking simply that work which we are able to do, with an abundance of men and plants sufficient for every purpose, shall not be taken away from us, and that we shall not be deprived of that work which rightfully belongs to us.

We ask you to respectfully consider the propositions we make to you, feeling sure that you are actuated by the highest, the purest, and the best motives, and that the powers of your honorable committee will always be exercised in favor of the citizens of this country and of American labor, even though it may be to the exclusion and disadvantage of residents of other countries and the subjects of other governments.

The skins (furs) that we refer to herein are: Muskrat, squirrel, marmots, susliki, Persian lamb, astrakhan.

All of which is respectfully submitted.

A. C. SCHUTZ,
THEODORE SCHIFF,
Representing the Dyers and Dressers of Furs and Skins in the United States.

STATEMENT OF CHARLES S. PORTER, OF NEW YORK CITY, WHO OBJECTS TO ANY INCREASE OF DUTY ON FURS.

SATURDAY, *November 28, 1908.*

Mr. PORTER. I am called down here hastily, gentlemen, because we have learned that there is a committee here to ask for an advance in the duty on dressed furs and peltry not manufactured. I have learned that they are going to ask you to advance the duty from 20 to 40 per cent, on the ground that if they do not ask for an advance you may reduce it, and they do not want it reduced. Neither do the gentlemen whom I represent. We are the fur merchants and manufacturers of New York—about 83 firms—and they have sent me down here to tell you that they are satisfied under the present conditions, and do not want an advance made in this duty. The gentlemen who will ask you to advance the duty represent about 2,500 people in that industry.

During the past ten years under the present rate of duty this has become quite a successful business. The majority of the men engaged in this business have made money. The present rate of wages of the mechanics employed in it are higher now than they ever have been in the history of the fur business. I have letters here from four of the most successful dressers and dyers in New York connected with this association, who are here to ask for an advance, saying that they are satisfied and do not want an advance; that they are making enough money, and that the 20 per cent is ample and sufficient protection to their work. And, further, as Mr. Littauer has told you, in dyeing furs some of the Europeans have been more successful than any Americans, and we are compelled to import furs dressed and dyed. But we are importing less of such goods than in previous years because the American or New York dressers and dyers are becoming more successful in this work, and all the people engaged in this business prefer to have the work done here when it can be done properly, and they are encouraging the dressers and dyers by giving them the work in large quantities so long as they do it well. For instance, take a lynx skin, which is probably the most fashionable skin used this winter. It is used dyed black. If it is not properly dyed, after a few weeks it turns red and the skin has lost its commercial value almost altogether. For that reason we are compelled to have them done abroad, just as Mr. Littauer told you that he had to have his kid skins and goatskins dressed abroad. They are more expert at doing that work.

The American dressers and dyers are making progress, and under this 20 per cent schedule the good workers are making money, and the mechanics so employed are getting a higher scale of wages than they have gotten in previous years, and one of the dressers told me that the mechanics earn, according to their ability, from $12 to $38 a week. So I think that it will appeal to you gentlemen as a good scale of wages for mechanics.

Mr. UNDERWOOD. What is the volume of the fur business in this country?

Mr. PORTER. I could not tell you that. I have not those data. I only got this news yesterday to come down here.

Mr. UNDERWOOD. What is the value of the importations?

Mr. PORTER. That I could not tell you. We have no data on file, either our association or its members. We are rather new at it; we have only gotten together in the last few years, and those details we have not got.

Mr. RANDELL. One question. Would the reduction or the withdrawal of the tariff on furs reduce the price in this country to the purchaser?

Mr. PORTER. It would; yes, sir.

Mr. RANDELL. I am in favor of it, then.

EXHIBIT A.

NEW YORK, *November 27, 1908.*

Mr. CHARLES S. PORTER,
President Fur Merchants' Credit Association
of the City of New York, N. Y.

DEAR SIR: Learning that there is a movement on foot to make application to the Ways and Means Committee for a change in the present rate of duty on dressed and dyed furs, we herewith desire to protest against such action, for the simple reason that the present rate of duty affords ample and full protection to our industry.

Yours, very truly,

SEFTER & SON.

EXHIBIT B.

NEW YORK, *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: At a meeting of the Fur Merchants' Credit Association, held November 27, 1908, upon motion duly made and seconded, it was unanimously resolved that the president, Mr. Charles S. Porter, be, and herewith is, instructed to proceed to Washington for the purpose of appearing before the Ways and Means Committee for a hearing; for the purpose of urging on behalf of the Fur Merchants' Credit Association, which is composed of all of the leading fur merchants of the city of New York, that no action be taken with reference to an increase in the present rates of duty as assessed on furs dressed on the pelt.

That he present the facts that the fur dressing and dyeing enterprises in the United States have been and are in a prosperous state, and that the present rates of duty as assessed have afforded and do afford full and ample protection to those engaged in the dressing and dyeing of furs in the United States.

FUR MERCHANTS' CREDIT ASSOCIATION,
HARRY EISENBACH, *Secretary.*

EXHIBIT C.

NEW YORK, *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: In pursuance of an order of the executive committee of the board of directors of the Fur Manufacturers' Associations of New York City, the bearer, Mr. C. S. Porter, is hereby authorized to appear before your honorable body in behalf of this association at the hearing to be given upon the tariff schedules relating to furs.

Respectfully, yours,

FUR MANUFACTURERS' ASSOCIATION OF NEW YORK CITY,
ALEX HEILBREUR, *President.*
[SEAL.] DAVID C. MILLS, *Secretary.*

EXHIBIT D.

37–47 BOGART STREET,
Brooklyn, N. Y., November 27, 1908.

Mr. CHAS. S. PORTER, Esq.,
President Fur Merchants' Credit Association, New York City.

DEAR SIR: Being informed that an attempt is to be made to have a change in the present existing tariff on dressed fur skins, I desire to state that I am one of the largest dressers of fur skins and to go on record as opposed to any change in the present tariff rate, inasmuch as they now exist, as the same affords the protection necessary to our industry.

JULIUS MESERITZ SONS.

EXHIBIT E.

NEW YORK, *November 27, 1908.*

Mr. CHARLES S. PORTER,
President Fur Merchants' Credit Association
of the City of New York, N. Y.

DEAR SIR: Learning that there is a movement on foot to make application to the Ways and Means Committee for a change in the present rate of duty on dressed and dyed furs, herewith desire to protest against such action, for the simple reason that the present rate of duty affords ample and full protection to our industry.

Yours, very truly,

HERMAN BASCH & CO.

EXHIBIT F.

BOROUGH OF BROOKLYN, N. Y., *November 27, 1908.*

Mr. CHARLES S. PORTER,
President Fur Merchants' Credit Association,
of the City of New York, N. Y.

DEAR SIR: Learning that there is a movement on foot to make application to the Ways and Means Committee for a change in the pres-

ent rate of duty on dressed and dyed furs, herewith desire to protest against such action for the simple reason that the present rate of duty affords ample and full protection to our industry.

Yours, very truly,

WM. BEYER.

STATEMENT OF A. C. SCHUTZ, OF NEW YORK CITY, RELATIVE TO THE DRESSING OF FURS AND THE DUTY REQUIRED.

SATURDAY, *November 28, 1908.*

Mr. SCHUTZ. I represent the board of trade and fur dressers and dyers. You have heard the argument of the previous gentleman referring to the excellence and efficiency and ability of the workers. In the dyeing part of the fur business it is correct, but so far as the dressing of the skins goes, I can tell you it is purely labor, and, of course, if this country can not furnish as good a supply of this material as Europe, necessarily the market goes to Europe. But in the dressing of furs it is pure labor, and there are a number of skins that are cut in this country and sent over to Europe and then dyed there and sewed into plates and sent back to this country. Chiefly I would call your attention above all to the muskrat. There is no muskrat imported here. Why not? Because it is cheaper to have them dressed and dyed abroad and come in under the 20 per cent duty. That is to say, they are imported in plates and not in skins. They are partly manufactured, which was on the 25 per cent duty, and it was reduced then to 20 per cent duty, and we claim that it ought to belong to the 25 per cent duty. That is about the chief of our contention.

STATEMENT OF CONRAD KOTHE, OF NEW YORK CITY, REPRESENTING THE FUR SKIN DRESSERS' UNION.

SATURDAY, *November 28, 1908.*

Mr. KOTHE. Mr. Chairman and gentlemen of the Ways and Means Committee, you have heard the facts stated by both my predecessors here. I am representing the Fur Skin Dressers' Union, an organization consisting of workingmen who are depending solely upon the fur trade of this country for their livelihood and maintenance of their families. I will give you a few facts, which I have developed and put together, which will contradict the argument of Mr. Porter representing the importers of the fur trade in this country. We have religiously held to the theory of protection, inasmuch as competition in our business tends to keep the prices low to the public. The importation has grown within the last thirteen years from $7,000,000 to $21,000,000, while our exports remained about the same in that length of time, thereby, as you can plainly see, giving the advantage of the balance of trade to the European market.

Mr. COCKRAN. How much were the exports?

Mr. KOTHE. The exports were about $7,000,000.

Mr. CLARK. What made furs go up in the last six or eight years?

Mr. KOTHE. That I will get to. These articles are sent to this country combined in plates and come in as dressed furs. They are not

dressed skins. They are the manufactured lining. This enables the importer to get his lining in his possession by cheap production, produced by cheap labor in Europe, and which command just such price as he may demand from the consumer. Has the consumer derived one benefit in the last thirteen years from the duty on fur skins? Not one iota. He pays the same as he did thirteen years ago, although the importer is receiving the furs far cheaper than we can afford to do them for in this country.

The gentleman said our average wages were $12 to $38. I will beg to contradict him in that matter. We have a statement, certified to, of our wages, and we only work six months in the year and do not average $2 per day. This six months takes up in a spreading sort of a manner our whole year's time. If these conditions that exist at present are allowed to continue under the present tariff, will not this be an awful condition for our workingmen in this country?

Now, I would like to bring before you a charge, if it is permissible, which I know to be a positive fact. It was drawn through a conspiracy within the nineteenth hour of this event by an importer against the men who employ us. One man in particular, my employer, who advocated my coming here, was forced by the man that he done business with to sign a letter stating that he was in favor of the present tariff. If he did not sign that letter, gentlemen, he was told he would get no more work. Is not that a sad event of affairs for the American mechanic to depend upon? Is not that a terrible condition to have, that we must look back and our children will be deprived of the necessaries we feel that they must acquire in the future? Is not that terrible? We spent our time for three years and a half of service as mechanics in order to learn our trade, and now we find that through a certain class we are to be thrown aside; after developing ourselves and after making up our minds that we would have something to depend upon for our livelihood, now we must take a side issue through the cheap European production, and thereby the importer only deriving the benefit from it. The consumer gets no benefit whatsoever. The consumer pays the same price to-day for furs as he did twenty years ago.

Mr. COCKRAN. Pays more.

Mr. KOTHE. In fact, he pays more.

Mr. CLARK. He pays twice as much as he did five years ago.

Mr. KOTHE. I do not know as I would like to take any more of your time on this matter, owing to the fact that there are others to be heard here, only I would like to state that we advocate a 40 per cent duty.

Mr. COCKRAN. You said a moment ago that the wages in your business, paid to your workmen whom you represent, were $2 a day, but that they worked only half the year?

Mr. KOTHE. Yes.

Mr. COCKRAN. According to that they must work for about three hundred days a year?

Mr. KOTHE. Well, I averaged it that the $2 a day is for that half a year only.

Mr. COCKRAN. What do you mean? Do you mean that they work at the rate of $2 a day for half the year?

Mr. KOTHE. Yes, sir.

Mr. COCKRAN. That would be about $300 a year?

Mr. KOTHE. Yes.

Mr. COCKRAN. Do you not think that anything that would change your occupation would be an advantage to you, at that rate?

Mr. KOTHE. I think it would.

Mr. COCKRAN. An ordinary day laborer out in the street will make from $2 to $2.60 a day, and work almost every day in the year.

Mr. KOTHE. Still, we have to work three and a half years at it to learn our trade, which we depend upon for our livelihood.

Mr. COCKRAN. Would it not be to your advantage to change your occupation, no matter what else you went at; because you can obtain as a common laborer twice that much?

Mr. KOTHE. Compulsion will finally compel us to, unless we can get the work so that we can be busy the whole year.

Mr. COCKRAN. That will be compelling you to double your labor.

Mr. KOTHE. We will be glad to be compelled to do that. But is it not, under the present conditions, unreasonable to think that we are able to earn only that much?

Mr. COCKRAN. But the increase of the tariff would only double your pay.

Mr. KOTHE. What we are looking for is work.

Mr. COCKRAN. You are looking for wages, are you not? Now, what I want to point out to you is, are you not mistaken about this, and would it not be a distinct advantage to you to change your occupation, however it was done, when the most ordinary laborer, the most unskilled laborer, can earn from $2 to $2.60 a day?

Mr. KOTHE. That would drive this industry out of this country. We are endeavoring to build up an industry in this country.

Mr. COCKRAN. But you would be gaining by the change?

Mr. KOTHE. We as individuals would; but is it that we must allow our whole industry to go out of the country and leave the country on account of the fact that our European competitors can drive us out of the market?

Mr. COCKRAN. Yes; but I want to consider precisely the attitude you take. If your attitude is that of defending the wages, I want to point out to you that the wages you are defending are so ridiculously small that it would be to your advantage to get into some other occupation.

Mr. KOTHE. But if we get the work our wages would be higher. Our work is done by piecework and by skilled mechanics.

Mr. COCKRAN. Do I understand that your contention is that if the duty were increased as you say, your wages would be increased how much?

Mr. KOTHE. Our wages would be increased. If we got ten months' work in the year we would be satisfied.

Mr. COCKRAN. Would you get that?

Mr. KOTHE. We figure we would.

Mr. COCKRAN. How do you figure; that is what I would like to know? I would like you to show us if you can.

Mr. KOTHE. At present these skins are shipped in in these plates. Of course I could not give you the exact figures as to the skins in each plate. They vary. We figure that the amount of skins deprives us of just that amount of work. From the statistics we have drawn together we conclude that the plates that were imported each year, if they were not imported into this country, would be enough to give us the balance of three months' work a year, which would bring our wages up to about $4 a day, thereby employing us ten hours a day.

Mr. COCKRAN. I do not quite follow your arithmetic or see how increasing the period of the employment by three months would double your pay to the amount of $4 a day.

Mr. KOTHE. The fact of the matter is now that we are working so little time that our average is only $2 a day. We average it at $2 a day the year around.

Mr. COCKRAN. I understood you to say for half the year.

Mr. KOTHE. We are only employed for half the year.

Mr. COCKRAN. Perhaps I have misunderstood you.

Mr. KOTHE. So we have got to base our average yearly. It is not the time we figure on, it is the average we make in the year that we figure.

The CHAIRMAN. The gentleman's time has expired.

Mr. COCKRAN. Do I understand you to say that you will average $2 a day and work for half the year, or that you are paid at the rate of $4 a day and work half the year, and therefore average $2 a day for the whole year? Which do you mean?

Mr. KOTHE. I mean that if we worked the whole year we would average $4 a day; that is, if we had the work.

Mr. COCKRAN. Then you will average $4 a day and work only half the year?

Mr. KOTHE. Yes.

Mr. COCKRAN. That is what you mean?

Mr. KOTHE. Yes.

ADDITIONAL STATEMENT MADE BY CHARLES S. PORTER, OF NEW YORK CITY, RELATIVE TO DRESSED SKINS.

SATURDAY, *November 28, 1908.*

Mr. PORTER. Just a word, Mr. Chairman. This young man has made a very serious charge about these gentlemen who signed this letter yesterday. May I explain that?

The CHAIRMAN. You can have two minutes.

Mr. PORTER. When I learned there was to be a committee to be sent down here to ask for an increase of the duty I sent for these dressers, and they came to my office, and I asked them why they did so, and they said: "We are afraid they are going to take the duty off of dressed skins, and if we do not ask for a large increase we will not get the 20 per cent." I said: "Are you satisfied with the 20 per cent?" "We are satisfied." "Will you put that over your signature?" They said: "We will." That is where these letters came from that I have filed here with you.

STATEMENT OF THEODORE SCHIFF, PRESIDENT OF THE FUR DRESSERS AND DYERS' BOARD OF TRADE.

SATURDAY, *November 28, 1908.*

Mr. SCHIFF. Mr. Chairman, I am president of this Dressers and Dyers' Board of Trade.

The CHAIRMAN. The hearing is closed on that subject.

Mr. SCHIFF. I only ask two minutes, because I have been placed in a very compromising position.

The CHAIRMAN. What is your name?

Mr. SCHIFF. Theodore Schiff. I am president of the Fur Dressers and Dyers' Board of Trade.

The CHAIRMAN. How many gentlemen are there that are compromised here? [Laughter.]

Mr. SCHIFF. That is all. This is a very small industry, as you gentlemen know.

The CHAIRMAN. We will hear you for two minutes.

Mr. SCHIFF. All right. I have been placed in a very compromising position through these three or four letters which Mr. Porter claims he had signed. These men are among the instigators of my appearing before you, members of my association, through which two of them——

The CHAIRMAN. Now do not say anything unkind about anybody whereby three or four others will want to be heard.

Mr. SCHIFF. No; I only want to say it is very foolish of me to appear before you as president of the organization, whereas all four gentlemen sent me down here, and within twenty-four hours put their names onto a paper where they are satisfied. Now, why they were satisfied within that twenty-four hours I do not know.

Mr. COCKRAN. Join them. Join their satisfaction. [Laughter.]

Mr. SCHIFF. Yes; I will not say anything more. I will file my brief with the reporter.

BRIEF FILED BY THEODORE SCHIFF, REPRESENTING THE DYERS AND DRESSERS OF FURS AND SKINS.

NEW YORK CITY, *November 26, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned represent the fur dressers and the fur dyers of the United States. This interest is not a trust. It is not a monopoly. We are not manufacturers. We are not importers. We are not dealers. We are simply laborers—workingmen.

Some of us are contractors—that is to say, we employ numbers of men to do our work for us in factories appointed and arranged for that purpose.

But we are all laborers, nevertheless.

A very brief statement of the method in which the business is at present conducted may not be out of place.

Your honorable committee will find upon investigation that a very large percentage, perhaps 90 per cent, of the furs which are the subject of this brief are caught or trapped in this country—that is to say, in America, in various parts of this country. When so caught and trapped they are thereafter handled by the trapper or hunter and sent in quantities to the New York and other city commission merchants in their rough, original, natural state.

These commission merchants in turn send these various skins [furs], a detailed list of which your honorable committee will find specifically mentioned hereafter, to the London auction rooms; some, also, to Leipzig, in Germany, and there these raw skins [furs] are sold, and thus the price on these skins [furs] is established.

Now, up to this time we have no fault to find, no objection to make.

Now, our plaint is as follows: After these skins [furs] are sold at London or Leipzig, as the case may be, then the trouble begins.

That is where this honorable committee must come to the relief of the American laborer.

Now, how does it work to-day?

The result of the auction sales at London and Leipzig is that these skins [furs] of the various kinds mentioned hereafter are distributed to buyers resident in various parts of the world. Having bought and gotten possession of and title to them, they immediately arrange with the dresser and dyer of London and Leipzig for the dyeing and for the dressing of these skins [furs], which, on account of the ridiculously low price of labor, as compared with our price here, as your honorable committee will readily see, means that more than 50 per cent of the labor is done in foreign countries, to the exclusion of our American workmen.

After the London and Leipzig dyer and dresser has dressed and dyed these skins [furs] he puts them in what we call "plates"—that is to say, a number of skins [furs] all stitched or fastened together and forming a "plate" of about 36 inches by 40 inches, and, by this simple trick and device, they come in as dressed and dyed skins [furs] "not manufactured," and pass through our custom-house at a 20 per cent tariff.

Now, what is the remedy?

As stated above, we have no objection to the raw skins [furs] being sent to London and Leipzig for sale and there distributed at whatever price they may be sold at.

What we object to is the work and labor on these skins [furs] being done on the other side at prices with which our American labor can not compete.

And what is the result?

Our American labor has work distributed over a period of twelve months which should be done in about six months. In other words, our people are working half time; idle the rest of the time. Fancy the condition of affairs where our working people, willing and anxious to work, their employers and contractors willing and anxious to give them work, are prevented simply by this unjust and unrighteous tariff on these articles.

What is the remedy?

Put a 40 per cent tariff instead of a 20 per cent tariff on these skins [furs] and the trick is done at once.

Let this honorable committee not forget that 90 per cent of these skins [furs] hereinafter mentioned are raised in America, and by the trick and device mentioned and described above our own people are prevented from dressing and dyeing, deodorizing, and preparing for market these various skins [furs] of animals born and raised on this soil.

It is as though our Congress deliberately acted in the interests of foreigners, and with the design to keep work away from our own American people.

But of course we know that such is not the case. We know that the Congress is placed in a false position by this wrongful tariff on these articles.

Let us repeat again: We are not importers; we are not exporters; we are not manufacturers; we are not dealers; we have nothing to

buy; we have nothing to sell; we are laborers pure and simple, asking simply that work which we are able to do, with an abundance of men and plants sufficient for every purpose, shall not be taken away from us, and that we shall not be deprived of that work which rightfully belongs to us.

Our representatives who will appear before your honorable committee are provided with statistics, and ask for an opportunity to state to your honorable committee the grievances under which they labor, and they ask you to respectfully consider the propositions which they will make to you, feeling sure that you are actuated by the highest, the purest, and the best motives, and that the powers of your honorable committee will always be exercised in favor of the citizens of this country, and of American labor, even though it may be to the exclusion and disadvantage of residents of other countries and the subjects of other governments.

All of which is respectfully submitted.

THEODORE SCHIFF,
Representing the Dyers and Dressers of Furs and Skins in the United States.

Schedule referred to in this brief. The skins [furs] that we refer to herein are: (A) Muskrat, (B) squirrel, (C) marmots, (D) susliki, (E) Persian lamb, (F) Astrakhan.

REPRESENTATIVES OF THE HATTERS' FUR INDUSTRY ASK A SEPARATE CLASSIFICATION FOR THEIR PRODUCT.

NEW YORK CITY, *December 3, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This memorial is presented in behalf of the entire hatters' fur industry of the United States, composed of Jonas & Naumburg, New York City; H. & A. Chapal Freres & Co., Brooklyn, N. Y.; Bloch & Hirsch Fur Company, Brooklyn, N. Y.; Hitchcock, Dermody & Co., Brooklyn, N. Y.; Pellissier, Jeunes & Rivet, Brooklyn, N. Y.; H. Picard & Co., Newark, N. J.; Donner & Co., Newark, N. J.; Martin Bates, Jr., & Co., South Norwalk, Conn.; American Hatters and Furriers' Company, Danbury, Conn.; J. W. Katz, Newark, N. J.; John B. Stetson Company, Philadelphia, Pa.; New England Fur Company, Fall River, Mass.; Waring Hat Manufacturing Company, Yonkers, N. Y.

Its purpose is to convey, in a brief and concise statement, information for the benefit of the committee, in order that intelligent consideration may be given to those paragraphs of the existing tariff act affecting our industry.

The industry is mainly centralized within a radius of 100 miles of New York City, employs over 3,000 persons in the various factories, and consists solely of removing the hair or fur from the skin of the rabbit, hare, nutria, and beaver, after opening, carding, cleaning, and other processes, and chemically treating it with a solution of nitric acid and quicksilver (or mercury), called "carrotting," producing a product commonly known as "hatters' furs." This product is sold to felt-hat manufacturers and is manufactured into felt hats by a separate and distinct industry.

The industry is affected under the act of July 24, 1897, by the following paragraphs:

Paragraph 426. Furs, dressed on the skin, but not made up into articles, and furs not on the skin, prepared for hatters' use, including fur skins, carrotted, twenty per centum ad valorem.

Paragraph 561. Furs, undressed (free).

Paragraph 562. Fur skins of all kinds not dressed in any manner, and not specially provided for in this act (free).

From the statement heretofore made it will be observed that this industry consists of various incidental treatments, including carrotting, of the fur of various small animals, and it therefore is apparent that it is the skins with the fur thereon of these various animals which forms the raw material and is the basic property of our product. All of this raw material is imported from other countries, principally the cold regions of Europe and Australia. The fur used comes almost exclusively from animals not indigenous to North American climates.

The industry of manufacturing hatters' furs is largely a creation of a moderate tariff protection, and its status as a recognized active industry is practically coexistent with the tariff act of 1862, when an ad valorem duty of 20 per cent was enacted. This rate has remained inviolate through all tariff legislation since that time, and irrespective of the increase or decrease in the tariff on other manufactured products, the duty on hatters' fur has remained unchanged.

It has been this feeling of security that has permitted the industry to make progress, and yet we have at all times felt the keen competition of European manufacturers, and this competition has resulted in a fair consumption of imported hatters' furs by the hat manufacturers of this country.

All of our product goes into the manufacture of felt hats, and is purchased by hat manufacturers. The home consumption of hatters' fur during the past fifteen years has not had a decidedly wide range, only increasing in slight proportions as the increase in the manufacture of felt hats became stimulated by the demand of an ever-growing population; and yet the annual value of our production has undergone marked changes, due entirely to the wide fluctuations in the values of the skins in the foreign markets. This value has been regulated by the law of supply and demand, and the highest values have doubled the lower values as the markets changed, so wide has been the range.

The entire domestic consumption of hatters' furs in the United States has averaged during the past fifteen years from $7,000,000 to $9,000,000 annually, and we quote herein, for comparison, the table of imports of "furs not on the skin, prepared for hatters' use," this being the technical description of our product.

Year.	Value.	Year.	Value.
1894	$767,535	1901	$1,122,958
1895	1,074,519	1902	1,063,897
1896	711,267	1903	1,230,766
1897	721,218	1904	1,063,874
1898	1,181,177	1905	1,137,991
1899	1,288,691	1906	1,112,326
1900	985,813	1907	897,401

There has been no appreciable difference in the quantity of hatters' furs imported into the United States during the past fifteen years, and the table in this respect is misleading and would seem not to support this statement, but admits of a ready explanation when the fluctuation in values is taken into consideration.

It will be observed that the consumption of domestic hatters' fur is between four and five times the consumption of imported hatters fur, so that it can not be maintained that there is any control of the market by the domestic manufacturers. Indeed, were it not for the liberal lines of credit extended by the domestic manufacturer and the ability to make quick deliveries, the European market would produce a decidedly larger percentage of our home consumption.

The duty of 20 per cent, standing by itself, is not sufficient to protect American labor against its foreign competitor. We are prepared to furnish the committee with the real facts respecting the cost of production in European factories, and our investigation proves that the labor cost in Europe is from 45 to 52 per cent less than the labor cost in the United States, which may be confirmed by data in your possession from consular reports.

The European manufacturer has this additional advantage: Their factories are located in close proximity to where the fur skins are collected, substantially all the chemicals with which the fur is treated are purchasable cheaper abroad, and they have a recognized decrease in the cost of production (rent, office expense, etc.). The duty of 20 per cent is one of the lowest rates in the present schedule on manufactured products, and is a tariff for revenue only.

In order that the committee may have before it accurate information from which they may intelligently estimate what benefit the consumer would receive in the event that the entire tariff wall should be removed from our home products and hatters' fur admitted absolutely free of duty, we beg to state that the hatters' fur in the finished hat represents from 7 to 10 per cent of its selling price in the retail store, varying according to quality, and if the duty on hatters' fur were entirely removed, it would mean a saving of less than the 20 per cent duty on the cost price of this hatters' fur, equal to from 3 to 5 cents on every hat purchased at retail by the consuming public. We arrive at this conclusion from the knowledge in our possession that the cost of the fur in a hat sold at retail at $2 (the popular price in this country) is from $1.84 to $2.06 per dozen.

It therefore appears that a hat which is sold to the consumer at $2 contains a little over 16 cents' worth of fur, and that if the duty were entirely removed the reduction to the consumer, assuming that the consumer would be the sole beneficiary, would be 20 per cent of the fur value, or about 3 cents. This condition would result if the tariff would be entirely removed; if the rate is only reduced, then the difference would be fractional. The immediate beneficiaries of any reduction in the duties would apparently be the manufacturers of hats. The benefits of home manufacture, which would be destroyed by a reduction of tariff, are so apparent to the manufacturers of hats in this country that they are a unit in opposing any such reduction.

Imported hatter's fur before it reaches the hands of the consumer in the shape of a finished hat is handled by five industries, all presumably making some profit—(1) the importer of the hatters' fur,

(2) the manufacturer of the hat body or cone (in many instances an independent industry), (3) the finisher of the hat body or cone (who shapes, blocks, and trims), (4) the jobber, and finally (5) the retailer.

Is there any possible chance of the consumer receiving the benefit of any change in the present tariff rate on this commodity and is there any member of this committee who is not impressed with the glaring fact that this benefit will in no manner accrue to the consumer?

We believe that the table of importations shown herein clearly indicates that the European manufacturer may be considered a fair competitor of this market and one who must always be counted upon as a factor in the industry. Certainly the present tariff is not prohibitory, and at its best is but a partial protection to an industry which has been fostered under an intact tariff for nearly fifty years, a tariff which has almost crystallized into a compact between the Federal Government and the manufacturers of hatters' furs.

We believe that we have fairly illustrated that the consuming public can receive no possible benefit by any change in the present rate on our product, and it follows that if the consuming public can receive no benefit from a lowering of the rate, and as there is no prohibitive tariff resulting in a consumption of the home product to the exclusion of any imported product, no reason exists which recommends a change.

There is no combination, agreement, or understanding between the manufacturers of hatters' furs in the United States; no fixed price; no set standards. The closest of competition prevails at all times, and the fluctuating market of our raw material prevents any possible understanding or agreement to maintain a set price. Indeed, European competition makes this impossible.

It has been brought to our attention that the preliminary notes on the tariff revision make the suggestion that the provision for "manufactures of fur" be transferred from paragraph 450 of the act of July 24, 1897, and annexed to paragraph 426 of the said act. In the event that this change is made, it may cause unnecessary confusion. The subject-matter "manufactures of fur," as we have endeavored to show, bears no analogy to paragraph 426 of the present act, as now constructed, but covers an entire, separate, and distinct class of manufacture, and one in no way related to hatters' fur.

Indeed, "hatters' fur," in its plain interpretation signifies the fur or hair removed from the skins of such animals as the rabbit, hare, nutria, and in some few instances the beaver, prepared and chemically treated into a product called "hatters' fur," because its sole and exclusive use is for the manufacture of the felt hat, and is the component part of felt hats commonly called "derbys," and "soft hats."

We present for illustration two exhibits marked Exhibit A (fur from hares) and Exhibit B (fur from conies), prepared and chemically treated and thus becoming hatters' fur. An examination of this so-called "fur" will show that it bears no resemblance to furs as generally recognized. Indeed, through the process of manufacture, it loses its entire identity as a fur, being separated from the skin and becomes a fibrous substance.

These exhibits of hatters' furs exemplify the furs used for hats, and this classification has always been separate and distinct in trade usage as well as tariff legislation, the result of a thorough knowledge

of the difference between "hatters' furs" and other "manufactures of furs." The rulings of the General Board of Appraisers and the United States courts show conclusively that there should be a separate classification, and any action of this committee combining these two classes will be a step backward.

We find it pertinent to express our opinion concerning a maximum and minimum tariff, in the event that it should be determined by the Congress to enact a law upon such a basis. The rate upon our product is to-day what substantially amounts to a minimum rate, and any minimum tariff below the present rate of duty would practically transfer our product to the free list, destroying the industry.

We therefore must respectfully ask that paragraph 426 be not changed in any manner as to form, classification, or rate, and that it be maintained as at present provided.

Respectfully submitted.

AARON NAUMBURG,
Representing the Hatters' Fur Industry of the United States.

THE FUR SKIN DRESSERS' UNION FILES SUPPLEMENTAL BRIEF RELATIVE TO FURS DRESSED ON THE SKIN.

246 STEUBEN STREET,
Brooklyn, N. Y., January 8, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In the tariff hearings you have a statement by Mr. Kothe, representing the Fur Skin Dressers' Union, regarding the necessity of an increased duty on furs dressed on the skin, manufactured and made into so-called "plates." In our statement, printed, we failed to point out the evident misapplication of the law of 1897. Bearing upon this point, I beg to quote the following letter to a member of our tariff committee, Mr. A. L. Hetzel, as follows:

OFFICE OF THE COUNSEL FOR TREASURY DEPARTMENT,
BEFORE BOARD OF UNITED STATES GENERAL APPRAISERS,
641 Washington St., New York, N. Y., November 23, 1908.

MY DEAR MR. HETZEL: In answer to your inquiry as to how the Board of United States General Appraisers and the courts of the United States have decided in the classification of plates (i. e., pieces of skins, squirrels, and the like), cut, trimmed, and sewed together, but not completed into any finished article, I beg to mention the case of Brandenstein & Co., decided in 1899 by the Board of United States General Appraisers, reported as Treasury Decision 21805. The case arose under the present tariff law, act of July 24, 1897, and the board held that "several skins cut, matched, and sewed together, ready for sale and use," were properly assessable as manufactures of fur under the provisions of paragraph 450, which provides:

"450. Manufactures of leather, finished or unfinished; manufactures of fur, gelatin, gutta-percha, human hair, ivory, vegetable ivory, mother-of-pearl and shell, plaster of paris, papier mache, and vulcanized india-rubber, known as 'hard rubber,' or of which these substances, or either of them, is the component material of chief value, not specially provided for in this act, and shells engraved, cut, ornamented, or otherwise manufactured, thirty-five per centum ad valorem."

This decision would be very satisfactory to you, as it would to us, had it stood. An appeal, however, was taken, and on October 31, 1900, the United States circuit court, sitting in Chicago, Judge Kohlsaat presiding, overturned this decision and held the goods dutiable at 20 per cent as skins, dressed, under paragraph 438 "as dyed and finished goat skins." Had it been squirrels skins, it would have made no difference in rate, paragraph 426 being then applicable.

"426. Furs, dressed on the skin but not made up into articles, and furs not on the skin, prepared for hatters' use, including fur skins carroted, twenty per centum ad valorem."

It does not aid your contention even when dyeing has been applied, as the courts have held that "dyeing" is part of dressing and is included in dressing.

You are absolutely right in the belief that the law as now construed makes no fur article a manufacture unless it is a completed article in readiness for permanent use.

Yours, very respectfully, N. B. SPALDING.

Mr. A. L. HETZEL,
New York City.

It seems to us that Congress intended that manufactured articles of furs dressed on the skin should pay a duty of 35 per cent, but they do not, as you will notice by the letter above quoted. As a result, floods of muskrats, squirrels, rabbits, possum, etc., made up for linings and garments, are imported into this country at 20 per cent ad valorem. As a result of this manifest error on the part of the Board of General Appraisers, G. A. 4897, last year over 75 per cent of the American skins used in linings, etc., were exported, made up and returned here, and paid the duty of 20 per cent. Second result: Several thousand people have been thrown out of employment.

We earnestly ask that our recommendation of November 28 may prevail, and that a duty of 40 per cent may prevail upon these manufactured goods, also furs dressed on the skin.

The importation of this manufactured product comes within the decision referred to, G. A. 4897, and is described in the Compilation of Customs Laws and Digest of Decisions Thereunder, 1908, as follows:

(*i*) Partly manufactured rugs made by cutting and matching together pieces of fur and sewing them temporarily are dutiable as furs dressed on the skin and not under paragraph 438 as dressed leather or goatskins, paragraph 450 as manufactures of fur, nor section 6 as nonenumerated articles.

The important point is, "sewing them temporarily." If the merchandise of any kind, of muskrat, squirrel, rabbits, etc., were merely attached together or sewed together temporarily, it would be one thing, but they are brought in here in complete "plates" ready for linings or for any purpose for which they can be used, consequently your law of 1897, we think, has been violated by administrative decisions.

Now how can you tell whether we are right or wrong? We know we are right because the employment of labor in this line has been transferred abroad and we know that we are right because of the samples of the merchandise which have been exhibited to us. But how can you know this? I am unable to purchase a plate made up as hereinbefore described. Won't you have the goodness, in the interest of our working people, to ask the honorable the Secretary of the Treasury to request the United States appraiser at New York to send to you from the next importation of this class of merchandise, the following described merchandise, for examination and return:

Plates of muskrat backs and muskrat bellies and plates of squirrel backs and squirrel bellies.

If you will do this you will have a practical demonstration of our contention. When you receive the samples, which the honorable appraiser at New York assures me he will be glad to forward upon your

request, won't you wire me, so that I can call upon you and answer any questions which have not been covered in our original brief or this letter?

Sincerely, yours,

EDW. J. ANDERSON,
Chairman, Tariff Committee, Fur Skin Dressers' Union.

HUMAN HAIR.

[Paragraphs 429, 450, and 571.]

NEW YORK, *January 6, 1909.*

WAYS AND MEANS COMMITTEE,
Washington.

DEAR SIRS: We beg to point out that paragraph 571 has been misapplied by the custom-house. Human hair drawn to sizes and cleaned has been passed under the free list, and the 20 per cent duty for hair in paragraph 429, which reads, "Human hair, cleaned and drawn, but not manufactured," has only been applied when the hair was (besides being cleaned and drawn to size) also turned.

We think the wording of the tariff should be made so that no misapplication would be possible. We understand that the object of the tariff was to protect American labor.

We suggest that the new tariff provide as follows: Human hair, raw, uncleaned, free; human hair, drawn, cleaned, and turned, 25 per cent; and then to insert a new paragraph as follows: "Human hair, cleaned, drawn, but not turned, 15 per cent."

Yours, truly,

E. & H. LEVY, *Importers.*
E. LEVY, *President.*

FUR-FELT HATS.

[Paragraph 432.]

STATEMENT MADE BY JAMES MARSHALL, FALL RIVER, MASS., REPRESENTING FUR-HAT MANUFACTURERS.

SATURDAY, *November 28, 1908.*

Mr. MARSHALL. If the chairman please, I am here to represent the manufacturers of fur hats, and my name is James Marshall.

I have here a brief which I should like to file, and then I desire to make a few remarks, if the committee please.

The CHAIRMAN. You may proceed, Mr. Marshall.

Mr. MARSHALL. I represent practically all the fur-hat manufacturers of the United States. Our industry does not have the advantage of having the raw material close at hand. On the contrary, about everything we use originates abroad, and the foreigner has the advantage of having it close at hand, and he also has the advantage

of cheaper labor. So deeply were the manufacturers of hats impressed, that for the first time in many years they came together and with one accord desired to be heard before you and to show you the necessity for increasing the duty.

Mr. GRIGGS. Are you a manufacturer of furs?

Mr. MARSHALL. Fur hats.

Mr. GRIGGS. Fur hats?

Mr. MARSHALL. Yes, sir. What alarms us most is the steady increase of importations under the present tariff. During the years it has been in force there has been a gradual increase, just like a pair of stairs. During this last year of depression we have had in this country there have come into this country in imported hats four times the number that did come in under the first year of the tariff and more than any other year. Our factories have been closed, a great many of them, awaiting work.

We felt that it was absolutely necessary to present to you gentlemen the facts, and we went to the expense of sending a representative abroad, and he is abroad now, but he has sent back to me the facts and figures he has gathered so far.

There is no trust, no combination, or anything of that sort in our business, but the fiercest sort of competition exists. Outside of a few notable exceptions, working under a well-advertised trade-mark, a fair return of profit has been made, but the profits have been small and do not afford a proper return on the investment.

Mr. GRIGGS. Do you manufacture fur caps or hats?

Mr. MARSHALL. Derby hats and soft hats, such as you are wearing, probably.

Mr. GRIGGS. I wear felt.

Mr. MARSHALL. That is the same thing. They are made of rabbit fur and hare fur.

Mr. GRIGGS. Do you want an increased duty?

Mr. MARSHALL. Yes, sir; such increase as we can show, by the facts at hand, we deserve. In the last ten years there has been going on in Europe a gradual decrease in cost, just as you have heard from other industries here. They have gotten our machinery and our methods, and have gradually decreased their manufacturing cost in the last ten years.

Mr. GRIGGS. Does not that go to prove that a protective tariff long continued tends to inefficient workmanship?

Mr. MARSHALL. Not at all.

Mr. GRIGGS. Why is it they are surpassing us, then?

Mr. MARSHALL. Because in those days we were having to do something to bring our cost down, and used our ingenuity and invented machines for doing that work, and now they have copied those machines.

Mr. GRIGGS. Can you not use your ingenuity and invent more machines?

Mr. MARSHALL. We are going to try to do so, but there comes a limit, understand me, as you go on.

Mr. GRIGGS. Let me suggest this: A great argument which has been used here before this committee has been that the people of Belgium for generations, back as far as the great-great-great-great-great-grandfathers, have made certain things, and therefore the experience

of those ages in making those things makes Belgium workmen so much more efficient than ours in that particular line. Now you say that those people are coming over here and copying our methods and beating us in that line?

Mr. MARSHALL. Beating us because they have cheaper labor. What has been going on in the United States while they have been doing that is this: There has been a gradual increase in the price of labor—and that ought to be the fact. Workmen have gradually gone on so there has been an increase of 30 per cent almost, and having educated our workmen up to that plane of living and to that amount of wages, I do not think it is wise to batter them down at this late day. On the other hand, just what you said about Belgium has been going on there, and they have not received any more wages, and do not expect any more, and when you combine that with our machinery you have an advantage that is too great for us to overcome if we are going to maintain our standard of wages here.

Mr. GRIGGS. We ought to stop the sale of machinery abroad?

Mr. MARSHALL. Not at all; not at all. We have built up these industries under the idea of protection to what? To American labor. We have gone on increasing wages, believing now you are going to look forward and not backward. For instance, anything you establish now we have to look forward to for years and years.

The duty varies according to grade. It is divided into $5 and under, $2 a dozen and 20 per cent ad valorem, and so on up the scale.

Mr. GRIGGS. That is $5 per hat?

Mr. MARSHALL. No; hats of $5 a dozen and under, and it varies all the way up the scale.

Mr. GRIGGS. You know everybody wears a hat.

Mr. MARSHALL. I hope so. I sometimes have thought they did not.

Mr. GRIGGS. Well, they do.

Mr. COCKRAN. Perhaps you think they wear them too long?

Mr. MARSHALL. I think they do.

Mr. COCKRAN. You tell us we are to look forward. The thing we are to look forward to is the constant increasing of the rate of duty, is it not?

Mr. MARSHALL. Not at all, because the increase you make will be unchanged for a few years.

Mr. GRIGGS. When you make another machine that is better than that you have always sold to the foreigner, he will come and copy it?

Mr. MARSHALL. We are pretty nearly at our limit on machinery.

Mr. COCKRAN. You say the foreigner is reducing the cost all the time, and therefore the only alternative you offer us is steadily increasing the rates of duty?

Mr. MARSHALL. No, sir; but increasing them enough whenever you find occasion to give protection to American labor. If we can not make out a case and can not show you the actual figures which indicate the need for it, then certainly we do not deserve it.

Mr. COCKRAN. You told us that at one time your ingenuity——

Mr. MARSHALL. I did not say my ingenuity.

Mr. COCKRAN. Well, I will say our ingenuity, as a national ingenuity. You said that our ingenuity has been able to keep the cost of production down in this country so you were able to compete at the very liberal rates of taxation which are now imposed. Do you

not think you do yourself faint justice when you come to us and give us to understand that ingenuity is exhausted?

Mr. MARSHALL. I do not say it is exhausted.

Mr. COCKRAN. If you have the ingenuity to bank on——

Mr. MARSHALL. There is a limit to human ingenuity.

Mr. COCKRAN. Do you think so?

Mr. MARSHALL. I rather think so.

Mr. COCKRAN. Not as to hatters?

Mr. MARSHALL. Well, I hope not.

Mr. COCKRAN. You have two means of carrying on your industry. One is to improve your production and the other increase the taxation. In one case the community has to pay tribute. If you tax them by increasing the rate of duty, they have to do that.

Mr. MARSHALL. The amount we ask would not be such as would be felt by the average purchaser who wears a hat.

Mr. COCKRAN. It is something that would do a great deal of good to you?

Mr. MARSHALL. It would do us a great deal of good in this way: What we feel most is not the importation as it exists to-day, but the constantly increasing importation that is going on. For instance, under the first year of the present tariff 5,000 dozens were imported, and there has been a gradual increase until in the last year 21,000 dozens were imported—enough to run a good-sized hat factory.

Mr. COCKRAN. One factory?

Mr. MARSHALL. Yes, sir. If that increase continues to go on that is what we fear.

Mr. COCKRAN. Looking at how your product has increased in the meantime, it has increased out of all proportion to that.

Mr. MARSHALL. I do not think so. No, sir; I do not think it has increased four times.

Mr. COCKRAN. The total increase of the foreigner is just the product of one factory?

Mr. MARSHALL. To-day?

Mr. COCKRAN. In ten years, and it is 252,000 hats.

Mr. MARSHALL. It is about 21,000 dozen.

The CHAIRMAN. Gentlemen, there are 42 names on this list. Is it worth while to go into all these details?

Mr. COCKRAN. I think it is.

Mr. HILL. Have you some samples there that you desire to show to the committee?

Mr. MARSHALL. Yes, sir.

Mr. HILL. I suggest you show them to the committee and perhaps it will illustrate what you mean.

Mr. MARSHALL. What we fear now is new competition starting up in the last year.

Mr. COCKRAN. As matters stand, you are able to figure for yourselves, but you are afraid competition may grow in the future?

Mr. MARSHALL. We know it will grow.

Mr. COCKRAN. As to the future, it is difficult to speak with knowledge.

Mr. MARSHALL. We can only judge that by the past, and the past has shown this in what we call the popular-price hat. Previous to

that time, it was only these hats that style make, that always come in anyway, but now the popular-price hat is commencing to come in.

Mr. COCKRAN. I am quite correct in saying at this moment you are able to maintain your industry, am I not?

Mr. MARSHALL. No, sir; we are not in on this popular-price hat at all.

Mr. COCKRAN. Are you losing now?

Mr. MARSHALL. We will lose. We have lost this past season. We have lost because the Englishmen can offer a thousand dozen hats of this one style alone, which sells for $2. That hat sells at $2, and that is a popular-price hat. Now, they have commenced to put this in, not by the few dozen, but by the thousand dozen.

Mr. CLARK. What is the money output of fur hats in the United States?

Mr. MARSHALL. The last I knew it was about $36,000,000.

Mr. CLARK. And the imports in 1907 amounted to about $225,000?

Mr. MARSHALL. Yes, sir. With reference to this line of popular-price hats, they have commenced in the last six months to rush in hundreds of dozens of those at once. What will they do if we do not check them?

Mr. CLARK. You do not have enough to supply the market?

Mr. MARSHALL. We have been closed down, ours being an industry which does not give steady employment.

Mr. CLARK. If the Government can only get $232,000 of revenue out of the hat business, with the rates ranging from 45 to 55 or 60 per cent, how is the Government ever going to get sufficient revenue to run itself?

Mr. MARSHALL. Because we pay on our raw material anywhere from 20 to 50 per cent.

Mr. CLARK. Suppose we cut off all the tariff on raw material.

Mr. MARSHALL. That would not enable us to better conditions. The difference in favor of that hat against what we can make here is $6.20, and if you cut it off it would only be $1.97.

Mr. GRIGGS. The difference in cost of making them?

Mr. MARSHALL. Yes, sir. This hat which I now hold in my hand was made in Danbury, to match this other one which I exhibit to the committee, which was made abroad. If you take the whole duty off raw material, we would still be that much in the hole.

Mr. CLARK. How would you be in the hole more than you are now if we take the tariff off raw material?

Mr. MARSHALL. The difference is $6.20 in favor of the foreign hat, and the duty on raw material is $1.97.

Mr. POU. How much does that hat retail for?

Mr. MARSHALL. Two dollars. I bought it for $2. It was not made up for this occasion. Last season up and down Broadway these hat specialists, as we call them, had their windows full of these foreign hats. They had just caught on to how to get them over here, and the European manufacturers had just got on to how to reach them.

Mr. CLARK. Nine hundred and ninety-nine out of every 1,000 Americans do not care a straw whether they are wearing a foreign hat or an American hat. If they had any preference, at the same price, they would rather wear an American hat.

Mr. MARSHALL. I should think so.

Mr. CLARK. How can this infinitesimal competition interfere with it?

Mr. MARSHALL. In the past they have not interfered with it but if this thing continues they will interfere with it.

Mr. CLARK. Why have they not been rushing them in all the time in that way?

Mr. MARSHALL. Because the English manufacturer has not got wise as to how to reach the retail trade and the retailers have not got wise as to how to get them.

There is another thing. A few years ago we had a better protection than the duty itself, and that is the protection that style gives, which condition existed as late as two years ago. Dunlap, Knox, and others brought out a hat of a certain style at a certain time of year, and they keep that just as close as they can until about the day of the opening. The retailers and jobbers throughout the country keep in touch with these, and the manufacturers would have orders for three months previous to the coming out of that hat for thousands of dozens that must be delivered within a short time. The foreigner could not get that hat over to Europe and back quick enough to copy and supply the demand. By the time he got them here the demand for that particular hat would be gone. These hat specialists since then have come in who run chains of retail stores—sometimes as many as 25 of them—and they make a hat of their own choosing. They ignore all these styles, and they can take three months' time and go over there and prepare their hat in England and bring it over here on their opening day and have it all ready to supply the market demand.

Mr. CLARK. Knox charges about two prices for every hat he sells, does he not?

Mr. MARSHALL. I do not think so.

Mr. CLARK. I do, because he charged me two and a half times as much for a hat as I would have had to pay somewhere else.

Mr. GRIGGS. There were 252,000 hats imported last year, and there are 25,666,666⅔ men and boys, all of whom wear hats.

Mr. MARSHALL. I do not think so. Some of them wear caps and things of that sort.

Mr. GRIGGS. Well, they wear some head covering.

Mr. MARSHALL. We can see the increase in this competition abroad, brought about by these hat specialists who will soon have the cream of the hat business, and we know that this thing, unless it is stopped right now, somehow, is going to prove to be very disastrous to us. It is not a question of what has been; it is a question of what will be.

Mr. POU. If you cut them out of this market by a high protective tariff, what will protect the American people against you?

Mr. MARSHALL. Competition among ourselves. Here, for instance, I exhibit to you a hat that sells for $2, and that is plenty good enough for anybody.

Mr. HILL. I understand that the trade has united together and sent an expert to Europe to ascertain the exact figures, and that you have the exact figures and facts, with the cost of labor and the general cost of manufacture, and the comparative cost of making hats, which are identically like each other in Europe and here?

Mr. MARSHALL. I have here all the data that was sent over by this man.

The CHAIRMAN. Well, file that. We can not spend the time to have it read here.

Mr. MARSHALL. Just one brief statement I should like to make in regard to it.

Mr. HILL. I should like to hear that statement. We spent six hours on one industry, and here is an industry that employs 20,000 people and pays wages of $11,000,000, and we have a right to hear them for thirty minutes, it seems to me.

The CHAIRMAN. There are 8 or 10 or 12 other people on this same schedule. There are some 40 people on the list for to-day who want to be heard from. If you can just as well file that statement, the committee can read it and give it some attention, but now it will simply pass in one ear and out the other. If you and Mr. Hill insist, of course he may go on with it.

Mr. MARSHALL. No; I do not insist. I will just file this and let it go at that.

Mr. GRIGGS. I would like to hear it.

Mr. HILL. I do not insist, only it seems to me as large an industry as this should be given a full hearing.

The CHAIRMAN. I do not want to cut anybody off too short, but I do think we should hasten this matter to a close.

Mr. MARSHALL. This little booklet, or data, which I desire to file with the committee is an agreement entered into by the Manufacturers' Federation and Amalgamated Society of Journeymen Felt Hatters and Trimmers and Wool Formers' Association of England, together with their list of prices as agreed upon between the employers and the employed. This shows the minimum price of labor there, on which they base the earning power of all piecework, varying from 33 to 35 shillings a week.

The minimum prices of the United Hatters of America is $18 per week—$18 per week as against $8.40 abroad. This agreement is in force to-day.

Mr. GRIGGS. Will you allow that to be published in the record, Mr. Chairman?

The CHAIRMAN. I have asked him to do that. I have no power to compel it.

Mr. MARSHALL. I shall be very glad to file it. I also desire to leave these sample hats with the committee.

Mr. GRIGGS. I am afraid they will not fit me.

Mr. MARSHALL. If the committee will give us what we ask, we will make halos for all of them.

The CHAIRMAN. Do you use alcohol in making these hats?

Mr. MARSHALL. Yes, sir.

The CHAIRMAN. Do you use the denatured alcohol?

Mr. MARSHALL. Yes, sir. The wood alcohol is worth 70 cents a gallon. Our denatured alcohol is now bought for 46 cents a gallon, and if you gave us alcohol free, it would make a difference of 21 cents a dozen. That is all the total alcohol cost is, 21 cents a dozen hats, in making a dozen stiff hats like these samples. In the manufacture of soft hats we do not use any alcohol.

Mr. GRIGGS. I want to suggest to you that I desire to postpone my halo as long as possible.

Mr. CLARK. I want to suggest to the witness that he never yet has stated what he wants.

Mr. MARSHALL. It is stated in this brief which I shall file, but which I did not desire to read.

Mr. CLARK. Go on and file your brief then.

Mr. MARSHALL. We want a rearrangement of the duty. For instance, there is no such thing as $5, $10, or $20 hats. They run in multiples of twelve—six, nine, eighteen, and up. It ought to be rearranged on that basis. We ought to have just enough increase of tariff to compensate us for the difference between labor and the duty on materials we use—that is, the advantage the foreigner has over us. As I have stated roughly, this amounts to about $1 a dozen advance, and 10 per cent ad valorem advance over what we have.

JAMES MARSHALL, FALL RIVER, MASS., REPRESENTING VARIOUS FUR-HAT MANUFACTURERS, FILES BRIEF ASKING FOR AN INCREASED DUTY ON FUR HATS.

WASHINGTON, D. C., *November 28, 1908.*

HONORABLE WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: Despite the fact that there seems to be a general opinion that most of the industries of the United States can get along with less protection than they have been having, and while it may be more or less unpopular to ask for an increase over the present rate of duty, yet it is of such vital importance that we should ask for an increase, that for the first time in many years practically all of the fur-hat manufacturers have come together and with one accord ask that they be given such increase as they may be able to show, by the actual facts presented, that they need.

When the tariff bill of 1897 was under consideration, those having it in charge placed the duty so as to give protection such as they found was then needed, but there was one other protection that existed then that evidently no account was taken of, and that was the inability of the foreigner to get American styles to this market quickly enough to be of use, and I will touch upon this at more length later.

The principal change, however, that has taken place in the last ten years has been the gradual and steady advance in the cost of labor in this country (and it certainly is not desirable to lower the standard of wages that has been thus established).

It is equally a fact that the cost of labor in Europe is less by considerable to-day than it was ten years ago, mainly because of the introduction of American machinery, American methods, into their factories, which, together with the cheaper labor, has enabled them to more than successfully compete under the present tariff.

Right here I would like to illustrate by just one example the difference that actually exists in labor. The United Hatters of North America establish a minimum of $18 per week at which a man may be hired, and upon which all piecework prices are based as to earning power. In England (that has the highest priced labor in the hatting industry of any country with which we compete) the Amalgamated Society of Journeymen Felt Hatters have established a minimum of 33 shillings to 36 shillings per week—about $8.40—more than one-half less than the price established here. Therefore it is very desirable that the protection that you afford now be enough to thoroughly

protect the labor interests, for any reduction (or even if the present rate of tariff is maintained) would mean that we sooner or later would have to meet European competition, and that even though we get our materials at a lower price this in itself would make but little difference—the manufacturers would be forced to lower the only flexible item they have in their costs, and that is their labor costs, and it would have to be lowered enough to meet such competition. Consequently labor needs the protection perhaps more than manufacturers.

Taking up the question of the protection that was afforded by American styles ten years ago, for instance:

In those days it was the general practice of retailers and jobbers throughout the country to copy the styles of the leading hatters each season. That is, the Dunlap, Knox, Young, Youman, Miller, and sundry other leaders of fashion would then and do now bring out a certain style on a certain date, it being their hat for the season, and jobbers and retailers would place their orders for these styles months in advance, with the understanding that they be delivered within a very short time of the date of the coming out of said style. Under these circumstances it was almost impossible for a foreign-made hat to be rushed into the market quickly enough to fill the demand and, as a result, manufacturers and labor were protected by this to a much greater extent than by the duty itself.

The day of this has passed, however, and there has come into the hatting business a new class that is catering to the public for patronage, known as "hat specialists." They run chains of retail stores, some of them having as many as twenty-five or more in various cities, and this way of reaching the public is increasing. It has been developed more perfectly in the last two years, perhaps, than in the whole previous ten, and the result of this is that these specialists bring out a hat of their own choosing as their hat; therefore, it is within their power (and they do it) to start months in advance to get out the hat, to have it ready for instant delivery at the date of opening. These specialists, sharp, bright business men, were not slow to discover that foreign-made hats were better at the price than they could obtain a domestic-made article for. They also were not slow to know that there was, and is, a certain amount of prestige that goes with an imported hat, and, as a result, they started in to work this thing, and in the end will work it to the very limit. Several of these hat specialists this last season were displaying foreign-made hats almost entirely in their windows. The importations of one alone in New York City has gone into the hundreds of dozens this season, and it is reasonable to suppose that those who have not done so as yet will not allow their competitors to enjoy this advantage alone very long.

It is also reasonable to expect that the larger of the foreign manufacturers (and, by the way, at the heads of these establishments abroad are brainy, bright, industrious men, ready to seize any opportunity to increase their business), therefore, it is reasonable to suppose, seeing what one or more of their competitors are doing, will not be slow to press the sale of their own hats, so if nothing is done to advance the present rate of duty, you may be sure we will find a repetition of what has been going on the last ten years.

For instance: Nearly each year under the present tariff has seen an increase in the importations of hats, so that a comparison of the figures looks like a flight of steps, each year going one step higher in the number of dozens imported, and remember, gentlemen, every hat

covers a head, and it is the dozens that count. If this same increase goes on, as it surely will, the results are sure to be disastrous. Even this year, when there existed the depression in domestic affairs, many of our factories closing down for lack of orders, there were imported into this country more than three times the number of dozens that were imported under the first year of the present tariff, and this year of depression represents the highest number of dozens imported into the country in a great many years.

There is no trust or combination of any sort in the hat business. Conditions do not, nor will they, admit of it. The interests are so diversified, the competition is so keen, that the public is bound to get in the future, as it has in the past, the benefit of this by obtaining the product of these factories at the lowest possible price.

The profits of the business as a whole are very small. True, there are some notable exceptions where under a well-advertised trade-mark a reputation has been built up, so that the manufacturer can ask, and does get, a good, fair margin of profit because of his reputation, but as a rule the business is conducted on a very close, narrow margin, and the hat industry at its best does not give steady employment to those now engaged in it.

There is also another disadvantage that we labor under, and a very serious one when we compare ourselves with foreign manufacturers, and perhaps it illustrates more than anything else that there is no industry in this country that better shows that labor is getting its share of profits.

For instance, it has been mentioned that the minimum price per week is set as a basis of the earning power. This, however, is only for the lowest-priced hat that is sold. If a dozen hats are sold at $12, then labor gets so much per dozen for the work on this particular grade, and although it is practically no more work in any way, as far as labor goes, to produce a hat that is sold at $15 a dozen, yet labor gets just so much more in proportion to the selling price, and so on all the way up the scale.

In other words, a scale of labor prices is fixed—so much for a hat selling at $12, so much more for one selling at $15, so much more for one selling at $18, so much more for one selling at $24, etc.; always increasing in amount, as the selling price of the article increases.

It is not so with foreign manufacturers; practically all hats look alike to the laboring man, no matter what price they are sold at, and as the amount for labor is based on the actual amount of labor expended on the hat, irrespective of what it is sold at, this enables the foreign manufacturer to use very fine material in almost any grade, and his labor cost being practically the same, enables him to produce a more sightly article than it is possible for manufacturers to produce in this country at the same price.

Believing that the boy with his fact is mightier than the philosopher with his theory, we submit for your inspection an object lesson. We have bought at retail (and any of you can do the same) a popular-priced hat, marked "Exhibit A." We paid for this $2. This is a foreign-made hat. This hat cost the retailer, after paying all duty, freight, and other charges, $15.80 per dozen. This hat is very much more sightly than anything that can be produced in this country at this price, but to illustrate what can be done we have shown "Exhibit B," a hat made in Danbury, that would be sold to the retailer at this same price at wholesale. Then, again, we have made a hat in

Brooklyn that, in our judgment, is as good in quality, in every way, as the foreign-made hat, and which would sell at retail at not less than $3, and we have marked this "Exhibit C." We also give you a table illustrating what it cost to make these three hats, and, gentlemen, these prices are not made up for the occasion. So deeply were the hat manufacturers of this country impressed with the necessity of bringing this matter very forcibly to your attention; so deeply were they impressed with the idea that you must have facts and not guesswork upon which to build a tariff, that they have gone to the expense of sending the very best man they could think of to Europe to investigate conditions as they exist and report back nothing but the actual facts he found. Mr. Dammann presents these.

For while we already knew from personal investigation of some time ago just what were the conditions then (one of our manufacturers having made it his special business ten years ago to find out exactly what was going on by personal observation, visiting all the larger hat factories in England and on the Continent), we did not think it fair to give these figures as facts now without further confirmation on our part. Therefore the figures that we present to you are the results of these investigations, both then and now, and are the plain, unvarnished facts.

Perhaps we can best illustrate how great a part the adoption of machinery, together with the cheaper labor, plays in the manufacture of hats, by quoting from a letter from our representative sent from Manchester, England, within the last few weeks:

> There is one thing I can not help remarking now, and that is, as far as the use of machinery is concerned, am afraid we are so far behind that we will never catch up. One firm (and this is the firm that furnished the hat that we are exhibiting) stiffens on an average 2,200 dozen hats a week, with the labor of 5 boys, at a total cost of not more than, say, $15 to $20 a week.

What does this one item mean? It means that this one firm there has gotten its costs down on stiffening to practically 1 cent per dozen, whereas the cost in this country averages from 12 cents to 18 cents a dozen. This is an extreme illustration, but is not the only extreme illustration of the difference in costs that can be given to you.

Another thing, gentlemen, I desire to call your attention to—the advantage of having raw material close at hand, thus avoiding freight and various other advantages that some industries enjoy in this country is almost exactly reversed with us. The foreigner enjoys this advantage, and rest assured he uses it to the very limit.

Another thing our representative was instructed to do was to verify the price of this particular hat we exhibit, for so much were we stirred with the incoming of this fresh competition that we believed there must be an undervaluation.

So far from proving this to be a fact, our representative finds, as he writes:

> Not only can and does the manufacturer make the hat at the price he invoices it, but there is absolutely no question, with the stunts he can do with his labor and machinery, of his being able to continue.

You will note that in all of the above and in our comparisons nothing has been said about the competition that comes from Belgium, Austria, France, and Italy, all of which ten years ago showed that they had their labor costs at considerably less than those in England, and no doubt all of them to-day will show very much lower costs, but our representative has not had time to arrive back with all of this

data, and it being our desire to present only such as we knew to be absolute facts, we have refrained from stating any comparisons along these lines.

Another thing, we also have refrained from saying anything about the free employment of boys, youths, and so forth, all of which is practically unrestricted abroad, and nothing has been said about their allowing (as they do) double the number of apprentices in union factories that they do here. We feel that our case is strong enough without going into all this detail.

Gentlemen, the crisis is so great in the hat business to-day we feel it is our absolute duty to ask in all fairness that the tariff be increased and increased sufficiently to give protection to American capital and to American labor.

We therefore ask, first, that the division that was made into the various grades in 1897 be changed. For instance, there is no such thing as a $10 hat—although our tariff reads $5, $10, $20—there are no such grades of hats. For instance, hats run $4.50, $9, $12, $13.50, $16.50, $18, $24, and so forth, in multiples of 12 and not multiples of 10. It is our desire that the division be $4.50 and under, and that the next be $9 and under, and that the next be $18 and under, and then all above $18. We ask this because the very hat we fear the most is now coming in slightly under the $10 mark, so as to save the extra $2 of duty.

It is very difficult for us to prove an undervaluation of 1 shilling or 2 shillings. It is not very difficult for us to prove a difference of a whole grade. In other words, a man might wiggle his $10.50 hat in under the $10 clause, but he could not wiggle it in if we established the division at $9. The difference would be plainly apparent, and the same is equally true of the other grades we ask for.

Finally, we ask the committee that Schedule N, section 432, be amended as follows:

	Per dozen and 30 per cent.
Valued at not more than $4.50 per dozen, rate of duty	$2.00
Valued at more than $4.50 per dozen and not more than $9 per dozen	5.00
Valued at more than $9 per dozen and not more than $18 per dozen	6.00
Valued at more than $18 per dozen	8.00

	Foreign hat (made in Denton, England).	American hat, same wholesale price as foreign hat (made in Danbury).	American hat, same quality as foreign hat (made in Brooklyn).
	Per dozen.	*Per dozen.*	*Per dozen.*
Labor	$2.51	$6.84	$9.86
Material:			
Fur	$1.81	$1.96	$2.37
Leather	.63	.86	1.00
Band and binding	.88	1.32	1.34
Satin	.67	1.00	1.20
Shellac	.50	.54	.54
Alcohol	.18	.21	.21
Dyestuff	.07	.10	.12
Chemicals	.03	.04	.04
Wire	.06	.08	.08
Boxes and cases	.50	.70	.70
Miscellaneous	.30	.89	.54
	5.63	7.20	8.14
Overhead charges	.35	.65	1.10
	8.49	14.69	19.10
Difference in favor of foreign hat		6.20	10.61
Present duty on foreign hat		5.00	5.00

[The Felt Hat Manufacturers Federation and Amalgamated Society of Journeymen Felt Hatters and Trimmers and Wool Formers' Associations.]

LIST OF PRICES FOR WOOL AND FUR HATS.

Wool hat body making.

Wool forming;

Up to and including—		Per dozen.
2 ounces	pence	1½
2½ ounces	do	1¾
3 ounces	do	2
3½ ounces	do	2½
4½ ounces	do	3
5 ounces	do	3½

To rise one-half penny per dozen for each ounce over 5 ounces. One-fourth penny per dozen to be deducted from above prices to pay to the feeders.

Wool hardening (cup and cone):

Up to and including—		Per dozen.
2½ ounces	pence	2¾
3½ ounces	do	3
3¾ ounces	do	3¼
3¾ ounces	do	3½
3¾ ounces	do	3¾
4½ ounces	do	4

To rise one-half penny for each additional one-half ounce. Dyed wools, one-half penny per dozen extra.

Wool hardening (flat): One-fourth penny per dozen over the price for cup and cone. Fine wools, one-half penny per dozen extra. Dyed wools, one-half penny per dozen extra. Straight shapes, either level or brimmed hats, one-fourth penny per dozen extra. The term "straight shape" to mean where the depth of the hat exceeds two-thirds of the width when hardened.

Twisting and stretching: Piece price to be arranged between employer and employed.

Wool hand planking: Up to and including 2½ ounces, 1 shilling 7 pence per dozen. Two pence per dozen extra for each additional one-fourth ounce or part thereof. If settled and carbonized, 1½ pence per dozen less. Minimum weekly wage, hand or machine, 33 shillings for fifty-six hours. All wool hats planked outside to be paid 1 penny per dozen extra to inside price.

Youths up to 16 years of age are not counted as apprentices upon settling machines. Free labor allowed upon bumpers.

Fur hat body making.

Fur forming:

Up to and including—		Per dozen.
2½ ounces	pence	2¾
3 ounces	do	2½
3½ ounces	do	2¾
4 ounces	do	3

One-fourth extra spray brink forming. To rise one-fourth penny for each additional one-half ounce. One-fourth penny extra if one-half wool and one-half fur. One-half penny extra if two-thirds wool and one-third fur. Or by weekly wage at not less than 35 shillings for fifty-six hours.

The above weights to include compo.

Fur hardening: Up to and including 2½ ounces, 4 pence per dozen.

To rise one-fourth pence for each additional one-half ounce. One-half pence extra for one-half wool and one-half fur. One pence extra for two-thirds wool and one-third fur. Shells, 6 pence. Pullovers, 7 pence. Or by weekly wage at not less than 35 shillings for fifty-six hours.

The above weights to include compo.

Hand planking: Up to and including 2½ ounces (per dozen), for lowest qualities, 2 shillings 8 pence; next quality, 2 shillings 9 pence.

Then to rise 3 pence per one-fourth ounce and 3 pence per quality. Three pence per dozen to be deducted from above prices for hats that are to be second sized.

Staining: Drabs, 4 pence per dozen; other shades, 6 pence per dozen.

All fur hats planked outside to be paid 2 pence per dozen extra to the price paid for the same work when done inside.

Stumping by hand, not exceeding 1 inch, 1 shilling per dozen. Second sizing after sandpapering, not exceeding one-half inch, 1 shilling per dozen. Second sizing after knife shaving, not exceeding three-fourths inch, 1 shilling per dozen.

Settling: Piece price to be arranged between employer and employed.

Second sizing outside, 1 pence per dozen extra to inside price.

Hand stumping outside (after machine planking), 1 pence per dozen extra to inside price.

Minimum weekly wage, hand or machine planking, stumping, etc., 33 shillings for fifty-six hours.

Youths up to 16 years of age not counted as apprentices upon settling machines. Free labor allowed upon bumpers.

Blocking—wool, veneered, and fur hats (per dozen).

(Pulled out by hand.)

	Low common wools.	Other wools and veneers.	Furs.	
			Two lowest qualities.	Other qualities.
	Pence.	*Pence.*	*Pence.*	*s. d.*
Round crowns	7	8	9½	0 10½
Square crowns	8	9	11½	1 ½

(Pulled out by machine.)

Round crowns	5½	6	7½	0 8½
Square crowns	6½	7	9½	0 10½

Reblocking: Round crowns, wools, 5 pence per dozen; furs, 6½ pence per dozen. Square crowns, wools, 6 pence per dozen; furs, 7½ pence per dozen. All furs over 3½-inch brim, 1 penny per dozen extra.

Soft hats: Up to and including 5 inches deep, wools, 9 pence per dozen; furs, 10½ pence per dozen. Over 5 inches deep, wools, 10 pence per dozen; furs, 1 shilling half penny per dozen. Two pence per dozen less if pulled out by machine. All furs over 4-inch brim, 1 penny per dozen extra.

Framed hats: Pull-downs (pulled out by hand), wools, 4 pence per dozen; furs, 6 pence per dozen.

Tennis hats: Blocked with flat brims (pulled out by hand), wools, 6 pence per dozen; furs, 8 pence per dozen.

Extras: Whizzing (if done by journeymen), 1 penny per dozen; blocking on arched frames, 1 penny per dozen. Odds less than one-fourth dozen, at rate of 1 shilling per dozen.

Pressing.

Wools or furs: Round crowns, 1½ pence per dozen; square crowns, 1¾ pence per dozen; bell squares, 2 pence per dozen. Repressing, one-fourth pence per dozen less than first time. Turned hats, one-half pence per dozen extra. Soft hats, 2 pence per dozen each time. Odds up to and including one-fourth dozen, one-half pence per dozen extra. If plates are used to increase depth of shape, one-fourth pence per dozen extra. Or by weekly wage at not less than 32 shillings for fifty-six hours.

Hard-hat finishing.

(Per dozen.)

	Wools and veneers.			
	Low common wools.	Common wools.	Medium wools.	Best wools and veneers.
	d.	*s. d.*	*s. d.*	*s. d.*
Round crowns	7	10	11	1 0
Square crowns	9	1 0	1 1	1 2

The low common wools to be singed before pressing.

Turned hats, round crowns, 8 pence per dozen; turned hats, square crowns, 10 pence per dozen.

Extras per dozen.

	s.	d.
Fancy colors		1
Washing drabs or slates, outside		6
Washing drabs or slates, in and out		9
Velouring after repressing		2
Clearing	1	0
Capping		1
Brushing (if done by journeymen)		1
Steaming flexible or hard, round or square		8
Steaming odds, less than one-fourth dozen	1	0

Carded hats to be 8 pence per dozen over above prices for black hats.

Furs per dozen.

Lowest quality, round crowns	1	3
Lowest quality, square crowns	1	5
Other common qualities, round crowns	1	4
Other common qualities, square crowns	1	6

Other qualities to rise as per lists issued.

Turned hats, round crowns		10
Turned hats, square crowns	1	0

Extras per dozen.

	s.	d.
Washing drabs or slates, outside		6
Washing drabs or slates, in and out		9
Steaming flexible or hard, round or square crowns		9
Steaming flexible or hard, round or square crowns, less than one-fourth dozen—per hat		1
Velouring after repressing		3
Clearing	1	0
Capping		1
Brushing (if done by journeymen)		1

Lounge or tennis finishing.

(Per dozen.)

	Wools.	Furs.
	s. d.	s. d.
Steaming and cutting	1 0	
If finished	2 0	2 6
Turban-shaped brims up to and including 2¼ inches broad and 5 inches deep in crown		2 6
Flat-shaped brims up to and including 2¼ inches broad and 5 inches deep		2 6

To rise 6 pence per dozen for each additional one-half inch in brim or one-half inch in crown or part thereof; this to operate singly or jointly respecting width or depth.

All hoods must be tennis strength and the hats without curl, with the exception of the drawband mark.

Machine curling and ironing, wools or furs.

	Wools.	Furs.
	Pence per dozen.	*Pence per dozen.*
Curling on flat, anglesey or rolls	1½	1½
Curling, ironing, and flattening anglesey by machine	2	2
Curling, ironing, and lifting anglesey curls	2½	2½
Curling and ironing rolls	3	3
Curling pagets	1½	2
Curling and ironing pagets	2½	3
Curling set hats	2	3
Curling bevel brims or turn backs, set hats	2½	3

Or by weekly wage, at not less than 32 shillings for fifty-six hours.

Soft and framed hat finishing.

(The term "soft hats" to mean any hats not to be framed either by hand or machine.)

Soft hats, up to and including 4½ inches deep and 3½ inches broad. Wools: 1 shilling 9 pence per dozen. Furs: First quality, 2 shillings 6 pence per dozen; second quality, 2 shillings 9 pence per dozen; third quality, 3 shillings 3 pence per dozen. To rise 3 pence for each additional inch in depth or half inch in breadth.

Prices of other better qualities of furs to be arranged between employers and employed. Above prices include dry ironing in furs.

Water-ironing crowns, 3 pence per dozen extra; water-ironing crowns and brims, 6 pence per dozen extra; arched blocks, 2 pence per dozen extra.

Boys' sailors, up to 3½-inch brim. Wools: First quality, 2 shillings 3 pence per dozen; furs, 3 shillings 3 pence per dozen. Boys' sailors, over 3½-inch brim. Wools: First quality, 2 shillings 6 pence per dozen; furs, 3 shillings 6 pence per dozen. Boys' alpines. Wools: First quality, 2 shillings 3 pence per dozen; furs, 3 shillings 3 pence per dozen. Girls' and ladies'. Wools: First quality, 2 shillings 6 pence per dozen; furs, 3 shillings 6 pence per dozen. Other prices and qualities to be arranged between employer and employed. Infants'. Wools: 2 shillings per dozen. Infants' large shapes. Wools: 2 shillings 3 pence per dozen. All beaver or napped edges, ordinary shapes, 4 shillings per dozen. Other shapes to be arranged between employers and employed. Velouring after trimming in any of above branches (if done by journeymen), 3 pence per dozen.

Men's frames, single curls. Wools: First quality, 2 shillings 9 pence per dozen; furs, 3 shillings 6 pence per dozen. Double curls, turned outside, 6 pence per dozen extra. Double curls, turned inside, 1 shilling per dozen extra. Furs to rise 6 pence per quality. Carded hats same price as sandpapered. Sandpapering inside, 6 pence per dozen. Water-ironing crowns, 6 pence per dozen. Velouring after trimming (if done by journeymen), 3 pence per dozen. Velouring on frame (if done by journeymen), 4 pence per dozen.

Shaping, etc.

	Low common wools.	Wools and veneers.	Furs.
	Pence.	*Pence.*	*s. d.*
Ironing and paring	9	9	10
Paring after ironing machine	3	4	5
Ironing and paring set hats		11	1 0
Paring set hats	5	5	5
Ironing and paring pagets, roll or anglesey		10	1 0
Paring pagets, roll or anglesey	4	5	6
Ironing fronts and backs after setting		1	1
Machine setting*	4	4	5
Velouring	1½	2	2
Damp velouring or papering and velouring		3	3

* Setting by weekly wage, not less than 35 shillings for fifty-six hours.

Or by weekly wage as can be agreed between employer and employed.

Extras: Ironing and paring curls over five-eighths of an inch, 2 pence; making rolls or semirolls from anglesey, 3 pence; patching broken curls, 6 pence.

	Wool and veneers.	Furs.
Plain shapes:	*s. d.*	*s. d.*
Curling	3	9
Curling (with brim heaters)	5	6
Hand shaping:		
Curling, ironing, and paring	2 2	2 2
Setting	9	9
Velouring	3	3

Five-eighths of an inch curls and upward, 6 pence extra. Odds less than one-fourth dozen, 3 pence per hat.

Trimming, flexible or hard hats.

	Wools and veneers (per dozen).	Furs (per dozen).	Low common wools (per dozen).
	s. d.	s. d.	s. d.
Binding and bracher leathers			1 9
If banded by trimmers			1 10
Binding, half and half	1 3	1 4	
Binding graduated or twice bound	1 7	1 9	
Bracher leathers	0 6	0 6	
Lashed leathers	0 9	0 9	
Cotton linings	0 6		
Silk or satin linings (plain, pleated, or cane)	0 9	0 9	
Diamond	1 0	1 0	
Machine-whipped leathers	0 7	0 7	

Extras.

	Pence per doz.
Wires sewn inside curls	1
Wires sewn outside curls	6
Ferreting	1
Banding	2
Elastic and buttons	1
Fixing eyelets in linings	2
Sewing felt pads under leathers	2
Sewing in cork fronts	3
Lashing Cape or Persian leathers	2
Lashing calf or Russian leathers	4
Drawing leathers (if done by trimmers)	2
Net fastened on vents	2
Web and net tips	3
All hats requiring over 1-inch binding	3

(This to cover either plain or graduated bindings.)

Trimming soft and framed hats.

	Wools.	Furs.
	s. d.	s. d.
Banding, up to and including 2-inch band	3	3
Banding, over 2-inch band	4	4
Binding, half and half	1 3	1 4
Binding (graduated or twice bound)	1 9	1 9
Bracher leathers	7	7
Machine-whipped leathers	8	8
Hand-lashed	9	9
Linings	9	9
Lashing common tennis hats	6	
Lashing in satin pads	9	9

Fancy bows extra. Other extras same as hard-hat list.

Machine binding, etc.

	Pence.
Slinging	2
Binding, soft or frame (first row)	2
Binding, soft or frame (other rows)	1½
Turnover bindings same price.	
Sewing on bands, per row, top or bottom	1½
Running sides, machines steam driven	1
Running sides, machines foot driven	1½
Running sides, sewn at home	1½

The price for binding girls and ladies' hats to be arranged between employers and employed.

James Marshall, representing the following manufacturers of fur hats:

Dunlap Hat Company, Knox Manufacturing Company, J. B. Stetson Company, Lamson & Hubbard, Crofut & Knapp, The Rough Hat Company, E. V. Connett & Co., Thom & Bailey, James Marshall & Bros., J. H. Wolthausen & Co., F. Berg & Co., The Guyer Hat Company, J. Rummel & Co., Thomas Smith Company, M. Metz Company, Longley, Low & Alexander, Samuel Mundheim Company, Ayer, Houston & Co., The Trimble Hat Company, C. B. Rutan & Co., James L. Carr & Co., Crowe, Quinlan & Moore, Federal Hat Company, No Name Hat Company, Frank Schoble & Co., Sigler Hat Company, Hawes, Von Gal Company, E. A. Mallory & Sons, Danbury Hat Company, John W. Green & Sons, Price & Vogt, Green Soft Hat Company, F. D. Tweedy Company, G. W. Alexander & Co., Meeker Brothers, D. E. Loewe & Co., Millard Hat Company, Simon & Keane, A. Shelton Davenport, A. A. Hodshon & Co., Fay, Gorman Hat Company, Judd & Co., Edwin Short Hat Company, Hoyt, Messinger Corporation, Ellor Brothers & Hall, The Union Hat Company, Maxim Hat Works, Norwalk Hat Company, L. Shafarman, Napier & Mitchell, Ferry, Weber & Co., Waring Hat Manufacturing Company, A. Fishman Hat Company, A. M. Rosenberg, M. S. Cornell & Co., Peekskill Hat Manufacturing Company, Leon R. Reizenstein & Co., Beltaire Brothers & Co., H. D. Parmlee & Co., Henry H. Roelofs & Co., C. M. Hedden & Co., John Hendel's Sons, Austin, Drew Company, Delohery Hat Company, National Hat Company, S. C. Holly & Co., C. W. Hendel & Sons, Silberstein, Flexner & Gottlieb.

STATEMENT OF MILTON DAMMANN, OF NEW YORK CITY, REPRESENTING THE FUR-FELT HAT MAKERS.

SATURDAY, *November 28, 1908.*

Mr. DAMMANN. I am here representing the Association of Hat Manufacturers in conjunction with Mr. Marshall, representing practically every manufacturer in the United States. I desire to offer a brief in conjunction with the exhibits which have been offered in connection with Mr. Marshall's remarks, and ask the careful and considerate indulgence of the committee in examining the exhibits in connection with the table therein that they may acquire therefrom a definite idea of the true comparative values of materials plus duties and the difference between the wages in Europe and in this country.

My brief, which I desire to file, is as follows:

141 BROADWAY, NEW YORK CITY,
November 28, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We desire to present to this honorable committee facts from which an intelligent revision of the tariff law now in force can be made, in so far as it affects fur-felt hats, properly classified under Schedule N, section 432, and this presentation is made in behalf of substantially every manufacturer of fur-felt hats, all of whom are part of an association banded together for the sole purpose of presenting in an orderly way the true conditions of the fur-felt hatting industry as it exists to-day.

We are not unmindful of the miscellaneous and indiscriminate statements which have appeared from time to time in the public press regarding the tendency of new legislation to decrease the tariff, as well as the tendency of manufacturers to urge an increase in the duty in the hope of maintaining the present rate. We have prepared this statement in the full belief that if this honorable committee is of the impression that we are entitled to the relief requested we will receive it.

There has been no act of legislation of importance affecting the fur-felt hatting industry since 1897. The duty on fur-felt hats has remained intact, and it is a fair assumption that unless there is a marked change in the political complexion of the United States there will be no further change in the tariff on the finished product of our industry for a long time to come, and we therefore take into consideration the conditions of our industry as it exists to-day and the condition that must inevitably occur if the same industrial situation now existent remains unchanged.

We therefore urge upon this committee two separate and distinct propositions that will relieve what, in our judgment, is a serious menace to a prosperous condition of our industry. First, the present duty on fur felt hats is not sufficient to protect the industry against foreign competition. Second, the classification under Schedule N, section 432, of the act of July 24, 1897, is unscientific, and does not meet the requirements of the industry.

In order that we may present an accurate statement of the true industrial conditions which surround the making of fur felt hats we will subdivide our argument in the support of our belief that the present duty on fur felt hats is insufficient, and we do this because we are firmly impressed that no intelligent revision of the tariff law can be made without all of the facts pertinent to the industry being before the legislative body.

We therefore point out in detail, under the following headings, the conditions as they now exist and as they existed at the time of the passage of the act of 1897:

(1) Comparative labor conditions in the United States and in Europe in 1897 and in 1908.

(2) The comparative trade conditions in the United States and in Europe in 1897 and in 1908.

(3) The importations of material out of which a finished fur felt hat is made.

Comparative labor conditions in the United States and in Europe in 1897 and in 1908.

Prior to the passage of the act of Congress commonly known as the "Wilson bill," the duty on fur-felt hats was an ad valorem rate of 55 per cent, and, under the industrial trade and labor conditions then existent throughout the United States, was ample and sufficient to protect the industry against foreign competition.

Finished fur-felt hats made in this country are divided into several grades, representing the selling price at the factory, and these several grades are recognized and maintained throughout the trade, not by any agreement or understanding, but as the result of a custom produced by manufacturers as a basis of comparative values of their respective products. This classification is generally based upon

the following grades—$4.50, $6, $7.50, $9, $10.50, $12, $13.50, $15, $16.50, $18, $24, $30 per dozen.

For the purpose of the main argument throughout this statement we shall adopt the grade generally known as the $16.50 grade, inasmuch as it approximates the middle value, being about halfway between the lowest grade and the highest grade of hats manufactured in the United States.

At a time immediately prior to the passage of the Wilson bill the labor cost in the United States on this grade of hats was $5.10 per dozen, all of which was paid to skilled labor, no less than 20 persons individually contributing some part of the labor to the finished hat. The same hat, manufactured in Europe at that time, cost $2.71 to produce.

At the hearings before the Ways and Means Committee, preparatory to the amendment of the tariff act then in force and effect, and which resulted in the passage of the act of 1894, facts and statistics were presented to the committee in favor of a retention of the then existing duty on fur-felt hats of 55 per cent. It was not believed at that time that any serious reduction would be made in the tariff on fur-felt hats, and no elaborate preparation was made to present to the Ways and Means Committee all of the facts at the command of the manufacturers, and the bill, as reported to the House of Representatives, showed a decrease in the ad valorem duty from 55 per cent to 30 per cent, a decrease, if it had been permitted to become a law, would, even with the industrial conditions then existing, have been a deathblow to the hatting industry in the United States.

Immediately upon the reporting of the bill a diligent and earnest effort was made to present to both Houses of Congress the true condition of the industry, and as a result of placing before both branches of the Congress the real facts, the bill finally was amended, reducing the duty to 40 per cent, a reduction of 15 per cent, notwithstanding that the duty on other manufactured textile products was cut from 20 per cent to 55 per cent, indicating that even the political party then in power recognized that this particular industry was in need of a large protection.

The act of 1897 restored the duty to an average of 55 per cent, but changed it into a compound duty instead of an ad valorem one, a duty which at that time was sufficient protection, because the duty represented the real difference at that time in labor conditions in the United States and in Europe (they remaining practically unchanged in the three years which intervened between the passage of the acts of 1894 and 1897).

The labor conditions existing at present in the industry in Europe and in the United States have undergone a decided and marked change. There has been a reduction in the price paid to European labor and an increase in the use of improved machinery, and on the other hand the price paid to labor in the United States has materially increased from year to year, so that we are now paying higher wages than at any other period in the history of the industry.

There have been large importations of hats sold in the United States recently in the retail stores at $2 apiece, a hat sold at wholesale in England at about $9.75 per dozen. This hat can be landed in the United States, duty and transportation charges paid, at less than $16 per dozen, and therefore is a competitor of the $16.50 grade manufactured here. Using this grade as a fair standard of compara-

tive values, we authoritatively state that the labor cost of producing this grade of hat in Europe averages from $2.40 to $2.80 per dozen, and the same hat can not be produced in the United States for less than from $9.35 to $9.86 per dozen, or nearly four times the labor cost.

The pronounced increase in the price of labor paid in this country has not been entirely voluntary, but has been the result of a united effort of all skilled workmen employed in the making of a hat. Their labor organization, known as "The United Hatters of North America," composed of practically every skilled workman who makes any part of a hat, is a labor organization of unusual strength. Officered by brainy and resourceful men, they have from time to time so increased the price paid to skilled workmen that the margin of profit on the finished product is so small that any further inroad into this profit can not be made. This standard has been set by the labor organizations, and there is no desire on the part of the manufacturers to decrease the rate of wages. The work is most all piecework, and is paid under a regular schedule of prices scaled upward as the value of the grades advance.

In order that the committee may have a proper comparison of the American and foreign product we have incorporated a table of the cost price of three hats built around this same $16.50 grade.

Column No. 1 is the cost price of a hat made in Denton, England, and sold at retail in large quantities during the past season for $2 each, and which can be landed at the retailer's door for less than $16 per dozen.

Column No. 2 is the cost price of the best grade of hat made in the United States that can be sold for $2 with a small margin of profit to the manufacturer, the hat being sold at $16.50 per dozen by the manufacturer.

Column No. 3 is the cost price of a hat containing the same quality of material as the hat in column No. 1, and sold to the retailer at $21 per dozen.

	Foreign hat made in Denton, England, and delivered in the United States, duty, etc., paid, at $16 a dozen.	American hat sold at $16.50 per dozen.	American hat same quality as foreign hat and sold at $21 per dozen.
Labor	$2.51	$6.84	$9.86
Material:			
Fur	$1.81	$1.96	$2.37
Leather	.63	.86	1.00
Band and binding	.88	1.32	1.34
Satin	.67	1.00	1.20
Shellac	.50	.54	.54
Alcohol	.18	.21	.21
Dyestuff	.07	.10	.12
Chemicals	.03	.04	.04
Wire	.06	.08	.08
Boxes and cases	.50	.70	.70
Miscellaneous	.30	.39	.54
	5.63	7.20	8.14
Overhead charges	.35	.65	1.10
Factory cost	8.49	14.69	19.10
Difference in favor of foreign hat	6.20		10.61
Present duty	5.00		5.00
Advantage in cost of foreign hat delivered in United States	1.20		5.61

It will therefore be seen that to produce the same hat as the hat manufactured in Denton, England, and sold in the retail stores in the United States at $2 per piece, will cost the American manufacturer $10.61 per dozen more to manufacture, and that with the protection of the duty at $5 per dozen (the rate upon this grade under the Dingley Act), there still remains an advantage in favor of the foreign manufacturer of $5.61 per dozen.

In comparing column No. 1 and column No. 3, it will be observed that the cost of the material is nearly the same in both tables, differing only in that in column No. 3 is added the duty and transportation charges on the imported material, and the small additional cost between the cost of the domestic materials in Europe and in the United States.

A comparison of column No. 1 and column No. 2 will indicate that the hat made in England and sold at retail in this country for $2, costs less to produce than the American manufactured hat sold at $2, and the difference in quality is so apparent that the consumer will have no hesitancy in making his selection, for all of the material is clearly inferior.

It may be observed by an examination of column No. 2 and column No. 3 that it costs decidedly more to manufacture the better grade of hat than the cheaper grade. This is accounted for by the sliding scale of wages paid—each grade costing more to produce, irrespective of the quantity of labor. That the committee may not think that there is a large amount of profit on these particular grades, we call your attention to the fact that none of the tables take into consideration the selling and office expenses of the hat, nor the usual discounts allowed.

We have not made comparisons in other grades because we desire to be as brief as possible, but we state with positive assurance that the same relative difference exists in all grades of hats that can be sold in Europe at $9 a dozen and over. We are possessed of the prices paid to labor, and we are expert judges enough to recognize the value when we see it.

Before closing this branch of the argument we beg to call attention that to manufacture the grade of hats in column No. 3 in 1897 cost $6.58 as against $9.86 at this time, showing that there has been an advance in American labor on this grade of $3.28 per dozen, while there has been no increase whatever in the price paid to European labor, they maintaining the same wages irrespective of grades. Indeed, at the very time that this statement is being prepared we are in receipt of a cablegram from our representative, now abroad, indicating that the labor in Italy and in Austria is considerably less than paid ten years ago.

We incorporate herein two letters received from this representative (now in Europe). We had hoped that this hearing would not take place until he had an opportunity of appearing before you personally, but as this could not be done we give you the benefit of his communications.

MANCHESTER, *October 27, 1908.*

SIR: Following your instructions I have thoroughly investigated the conditions in Denton and Stockport, which is the center of the industry in England. Under separate cover I am sending you a printed schedule of the prices which, though dated some years ago, with a few minor exceptions, and those being of a slightly lower tendency, are still in force at the present time. However, many of the items of labor that are provided for in the schedule as cover-

ing hand labor are now being done with machinery by unregistered boys, at a wage ranging from 8 shillings to 12 shillings per week. This difference applies principally to the making department, wherein they employ what is known as the multiroller machine, of which there is not a single one in America. These machines have the enormous capacity of about 50 dozen per day, and only require the attention of four of the boys mentioned above. In one of the factories visited five boys of the same class proof an average of over 2,200 dozen per week.

I find that the average wage of those working by the week for the most skilled workman ranges from 32 shillings to 36 shillings, and pieceworkers average slightly less than the amount paid weeklies.

Outside of the large number of free boys which each factory has, they are allowed one apprentice to every five journeymen, who is apprenticed for five years, and during that time only receives two-thirds of his earnings, if he is placed on piecework, and on weekly work he starts then at 8s. 3d., and finally reaches £1. The same labor cost enters into most of the items used, such as leathers, boxes, printing, etc.

The use of machinery is absolutely unrestricted, and all the factories employ automatic tip and brim stretchers, paring machines, crown and brim pouncers, for use on both soft and stiff hats. In the largest soft-hat factory I visited I found that the average soft-hat finisher finishes an average of 18 dozen per day.

The working hours are from 6.30 to 8.30, then a half hour for breakfast, 9 to 1, with one hour for lunch, 2 to 6; or, in other words, ten hours per day, and from personal observation it absolutely means ten hours, as all employees must be in the factory and ready to go to work when the machinery starts, and they do not stop until the machinery stops.

I also am forwarding other interesting documents which explain themselves.

Expect to leave for the Continent on Thursday, and will advise you from time to time as to the result of my investigations.

PARIS, *November 5, 1908.*

SIR: Have thoroughly investigated conditions in Paris and the factories situated in neighboring cities, and find as follows:

When they have full work, they are required to put in ten hours a day, but it is very unusual to have full employment more than seven months in any year; the balance of the time they do not have over half work. The earnings of skilled mechanics in Paris range from 5 francs to 7 francs a day for full time, while in the smaller cities, where the larger factories are, the earnings are somewhat less. The women employed, of whom there are a great many, when working full time, do not earn over 2.50 francs per day, which they consider extraordinary wages for female operatives in our line. Innumerable boys and young girls are employed, as there are no unions whatsoever in any of the factories or in the trade at large, and their earnings range from 1 franc to 2 francs per day. Of course, the use of machinery is unrestricted, and the production secured is very great.

While I could not get any established figures of profits, I do find that the custom is to draw 6 per cent interest on their entire investments, as well as very liberal salaries, and even then they make an extraordinary percentage of profit on their total sales, in some cases being as high as 30 per cent.

Could not get hold of any schedules of prices paid, as they do not seem to have any. In most of the factories whole families are employed, and have been so for many years, and advances in wages seem never to be asked for or expected.

Also find, compared with prices in America, for all incidentals, such as trimmings, leathers, etc., they bear but a slightly higher proportion than the comparative earnings, the same low rate of wages being paid in the production of all the items enumerated above.

Will advise you as to conditions in Austria at the earliest possible time after my arrival there.

The comparative trade conditions in the United States and in Europe in 1897 and in 1908.

At the time of the passage of the Dingley Act trade conditions in Europe and in the United States were independent of each other, so far as our industry was concerned. The European manufacturers

could not compete in this market because of the radical styles which prevailed at that particular time and of the manner in which those styles were introduced. Established houses in the trade, such as Knox, Dunlap, Miller, etc., were the leaders of fashion, and until their particular styles were set upon the counters of the retail stores, it was impossible to tell what particular style would be in fashion for the season, and immediately after those styles were introduced, retailers would give to manufacturers their orders, patterned after these prevailing styles. Of course we do not desire to go on record as saying these were the only styles adopted or that no hats were ever manufactured until after these leaders of fashion had introduced their styles; but it was a serious condition and one that largely entered into the output of factories and was sufficient protection against foreign competition, irrespective of any duty.

It is obvious that to meet the styles of Knox and Dunlap, etc., the retailer needed a quick delivery of his order, and therefore the European manufacturer could not successfully duplicate these styles in time to place the goods upon the retail counter for the season, and therefore could not enter this market.

This condition of the retail hat market grew less and less every year, until to-day it is positively extinct and each manufacturer introduces his own styles, and the retailer is satisfied to take them and has no leaning toward styles which ape or follow any particular brand. And yet, strange as it may seem, it is this very changed condition which has brought about the serious European competition, so that we are to-day face to face with the proposition that the European manufacturer is not alone a feared competitor for this market, but can undersell us and deliver the goods in as short a time as we possibly can do.

Indeed, an examination of the table of importations since 1894 will conclusively prove that the reduction of the tariff on hats from 55 to 40 per cent in 1894 did not stimulate the importation, but that they remained practically unchanged, and proving that the rate of duty did not enter into the situation, and that even a reduction of 15 per cent did not operate as an inducement to bring the European product in this market, and yet to-day, with an increased duty scaling up to 60 per cent, the importations are increasing to an alarming extent.

There can be no stronger argument presented to this committee of the great danger our industry is facing than an examination of the steady yearly increase in hat importations as shown by the following table:

Fiscal year.	Value.	Dozen.
1894	$137,298	
1895	133,141	
1896	117,662	
1897	92,710	
1898	93,915	7,636
1899	80,250	5,784
1900	116,340	8,814
1901	103,830	7,054
1902	106,064	7,819
1903	130,403	9,084
1904	119,883	8,817
1905	119,323	8,143
1906	179,866	14,586
1907	233,497	19,194
1908	279,563	21,892

It will be seen that there has been a gradual increase since 1899, and this increase reached a climax in 1908, when the importation in dollars and dozens was over four times greater than in the first year of the present act.

Unless we receive immediate relief by a raise in the duty, European manufacturers will fill the market with their commodities and raise a standard of competition that it is impossible to meet. Indeed, that condition now exists, for it is a well-known commercial axiom that the standard of a few is the standard of many. If only 50 dozen hats were imported into this country at a price below American competition, American manufacturers must perforce meet this competition or lose the business, and it is the meeting of this competition that has forced them to place their output frequently in the American market at less than factory cost. The European competition has already set the pace, and it is the measure of this hat and the values it contains that forces us to meet it at this great sacrifice.

The fur felt hat industry represents no small item in the industrial and labor situation of this country. We quote from the report of the Department of Commerce and Labor, published in 1905. This report indicates that hats are manufactured in 17 separate States of the Union, and that the industry represents a combined capital of upward of $23,000,000, divided into 216 firms and establishments, and that these factories employ over 22,000 wage-earners, over 16,000 being men and over 6,000 women, and most of whom come under the head denominated skilled labor. This report is misleading. There are not 216 hat factories, but less than 90 in the United States. The difference is accounted for by the number of so-called "buckeyes," a trade synonym for small shops connected with retail stores, where a few dozen hats are finished every year. They call themselves manufacturers, although they sell their product in their own stores. Again, in this report, the total product is partially counted twice in many instances, because one factory manufactures the body of the hat and sells it to the finishing factory; therefore, the same body is figured in the production of two factories.

Surely it can not be successfully maintained that our industry is one in which large profits can result, for capital to produce big profits must be turned from two and one-half to three times each year. There is no trust or combination of any kind in the hatting industry, and the trade is to-day, as it always has been, enthralled in the closest of competition. The margin of profit is astonishingly small, varying from 5½ to 9 per cent, surely not a return on an investment that can afford to be reduced or wiped out by foreign competition.

The importations of material out of which a finished fur felt hat is made.

The felt-hat industry is peculiarly a creature of tariff changes, for every single item which enters into the manufacture of a hat is imported, and upon that importation the manufacturer must pay the duty imposed by the tariff, and that duty is tabulated as follows:

	Per cent.
Cut fur	20
Silk bands and bindings	50
Satins	50
Cut leathers	35
Skins for hat sweats	20
Dyestuffs	30

The present tariff rate, if reduced to an ad valorem, would average to about 55 per cent, and it therefore is an easy mathematical calculation that if the cost of our material averages from 20 per cent to 50 per cent above the cost of the same material laid at the factory door of European manufacture, the difference between the duty on the material and the duty on the manufactured product is not sufficient to protect American labor against its foreign competitor. We do not ask for a reduction in the cost of material. The fur out of which a hat is made is all imported, the United States not producing any animal whose fur can successfully be used to make a hat.

The felt-hat industry feels that it does contribute a substantial amount in tariff now by paying a duty on bands, bindings, cut furs, etc., that they use. We also recognize that the foreign manufacturers of these articles have a distinct advantage over the domestic manufacturers, inasmuch as the raw material, such as rabbit and hare skins, silk, etc., all originate on the other side, and having them right at their hand they can, with their cheaper labor, manufacture them up to the point where the hatter uses them at a much less price than they can be manufactured for in this country, and we do not think it fair to ask for protection ourselves without being equally willing to grant it to others.

Relief desired.

We believe we have presented to this committee sufficient reasons to clearly show that it is possible to deliver foreign-made hats at the retailer's door in the United States from 15 per cent to 25 per cent cheaper than to deliver American-made hats. And while it may be true that the records of importation do not show that the amount of hats coming into this country has formed a large percentage of the home consumption, we have read the handwriting on the wall. The agitation for a revision of the tariff and the decided turn in the hatting industry arrived at the same time. Every manufacturer is awake to the importance of the situation, and the retailers realize that with the present rate of duty they can buy the European product at a decided advantage over the American product.

The opportunity presents itself to the Congress to preserve an industry which has reached the ebb tide of its career, not through lack of energy, thrift, or ability, but solely because of commercial conditions existing abroad over which we have no control, and it is almost providential that we have the opportunity of presenting the facts at this time to a committee whose public duty is to inquire into the true economic conditions and to give relief where relief is due, not alone to the consumer, but to the manufacturer, whose years of application and toil and whose capital is threatened by the ruinous competition of a foreign market.

We therefore ask that the classification in the present schedule be changed so as to conform with the trade conditions and recognized grades in this country, and submit the following amendment to the act of July 18, 1897:

Hats, bonnets, or hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, composed wholly or in chief value of fur of the rabbit, beaver, or other animal, valued at not more than $4.50 per dozen, $2 per dozen; valued at more than $4.50 and not more than $9 per dozen, $5 per dozen;

valued at more than $9 and not more than $18 per dozen, $6 per dozen; valued at more than $18 per dozen, $8 per dozen; and in addition thereto, 30 per cent ad valorem.

Respectfully submitted.

MILTON DAMMANN.

JAMES MARSHALL & BROS., FALL RIVER, MASS., WRITE RELATIVE TO MENACE OF FOREIGN COMPETITION IN THE HAT MANUFACTURING INDUSTRY.

FALL RIVER, MASS., *December 18, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Supplementing the brief filed in the interest of the fur felt hat manufacturers, would like to add as further proof that we are right on the threshold of importations of popular-priced hats copies of a leading trade journal, showing advertisements of foreign hat manufacturers.

In 1898 (ten years ago) there were but two, and both of these cater to the better class of trade, some of whom do and always will buy foreign-made hats. Five years ago but four, and still those who cater to the better class of trade. Finally, the last issue, showing 12 foreign hat manufacturers advertising, and the majority of these are catering to the popular-priced hat, similar to the one I exhibited before the committee.

Copies of the trade journal of the above dates, showing the advertisements, and with the index marked, are forwarded to the Ways and Means Committee in care of the Hon. E. J. Hill.

A careful study of the importations in these years will also bear out this contention, and it should be a very significant fact that the last year, when the importations of almost every other kind of merchandise fell below normal, that hats increased to the largest number of dozens in any one year of our history.

Will say, further, that we will have further facts concerning the costs of labor abroad and the costs of labor here, and will forward them if the committee so desire.

Yours, respectfully,

JAMES MARSHALL & BROS.
JAMES MARSHALL, *Chairman.*

THE UNITED HATTERS OF NORTH AMERICA ASK FOR INCREASE OF PROTECTIVE DUTY ON FUR-FELT HATS.

NEW YORK CITY, *December 31, 1908.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: Supplementary to briefs already filed in the interests of those concerned in the fur-felt hat manufacturing, we desire to state that 80 per cent of the fur-felt hat factories of the United States

employ members of our organization exclusively, and the minimum wage of our members is $20 per week of fifty-five hours. (See p. 26 of our constitution and by-laws.) And this is the minimum basis used to compute all piecework prices.

In the more skilled departments the wages are a great deal in excess of the minimum scale.

We earnestly request that the increased duty asked for by the manufacturers be granted as a protection to our membership.

Sincerely, yours,

MARTIN LAWLOR,
Secretary United Hatters of North America.

INDURATED FIBER.

[Paragraph 433.]

LOCKPORT, N. Y., *November 21, 1908.*

Hon. SERENO PAYNE,
Tariff Commission, Washington, D. C.

DEAR SIR: I write this to advise you that this company is already protected by a revenue tariff of 35 per cent, which is satisfactory, and we do not wish to have it changed in any particular. We would thank you to advise us if anything occurs that would cause it to be disturbed.

Yours, truly,

UNITED INDURATED FIBER CO.,
By JESSE PETERSON,
President and General Manager.

JEWELRY.

[Paragraph 434.]

GEORGE R. HOWE, OF NEWARK, N. J., PRESENTS BRIEF IN THE INTEREST OF CERTAIN MANUFACTURING JEWELERS.

NEWARK, N. J., *November 28, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The statement for 1905, as per Bulletin No. 54, census of manufacturers of New Jersey, is not a fair average statement and is misleading, from the fact that the year 1905 was phenomenal. The volume of business was larger than was ever known before, and larger than it can remain.

There are also important omissions in these tabulated figures, viz, depreciation on machinery and plant and failure to deduct allowances for salaries to members of firms.

Carter, Howe & Co. are a firm, not a corporation. In making our returns for 1905 no allowance was made for salaries or compensation for services to members of our firm, as would have been the case were

we incorporated. As a very large number of Newark and New York City manufacturers are also firms, this statement doubtless applies to their returns as well.

Ten per cent is the usual allowance for depreciation of manufacturing plants, including buildings, machinery, patterns, etc., but depreciation on machinery, tools, and patterns, as given in Bulletin No. 54 for Newark, should be at least 15 per cent. Adding to this a reasonable allowance for salaries, as above stated, the general profits as implied from data given in Bulletin No. 54 would be reduced by about one-third.

After deducting legal interest (6 per cent) on capital invested and reasonable salaries for members of the firm, each of whom devotes his entire time and attention to the business, the average net profit for the past twelve years in our own business has amounted to 6 per cent scant, on the capital, which I believe to be a fair average in the manufacture of fine jewelry.

There is no trust in the manufacture of fine gold jewelry—anyone who has the necessary artistic feeling and capital can take it up, as has always been done. Every year a number of new establishments are opened, and usually run in the manufacture of a special line, with some degree of success for a few years, when changes of style or the artistic temperament of the manufacturer prevents the making of profit, and causes a reorganization or discontinuance of the business. This insures persistent and ever-changing competition, and holds prices of product on a close margin of profit.

Notwithstanding the increased cost of labor entering into the cost of staple articles, the competition above referred to is so strong that no advance in selling price has been possible. Hence such goods have paid a steadily decreasing profit, and are to-day sold on a very close margin.

Radical changes of style without warning constitute a great menace to the financial success of the manufacturing jewelry business. Because of an unavoidable accumulation of old stock, jewelry out of style is worth only the intrinsic value of the gold and the value of precious stones mounted therein. The entire cost of labor is a loss.

As jewelry is a luxury, it is seriously affected by changes of fashion, and the consumption therefore varies greatly from this cause as well as from financial conditions.

Years ago the majority of women of the country wore earrings. Fashion ruled them out, and the loss on this item turned the profits of many manufacturers into loss, for no other ornament came in to take their place for years.

For three or four years past our women have been wearing short or elbow sleeves, which fashion has created a great demand for bracelets, and has been most important in giving at least partial work to a large number of journeymen during the past year. If it is true that fashion will decree long sleeves hereafter, the demand for bracelets will largely cease, and numbers of jewelers will be out of work until something can be substituted.

It is these continuous changes of style that cause so much uncertainty in returns from the manufacture of fine jewelry.

Foreign jewelry is imported in small quantities only, from the fact that the styles do not suit the American markets, and such articles can be sold only to a limited extent in the large cities.

Our danger consists in German competition. Ever since the Franco-German war Germany has given a great deal of attention to technical training, in which it leads the world. They are almost as expert copyists as are the Japanese. Large jewelry factories have been built at Hanau and Pforzheim. They manufacture exclusive lines for Mexico and the various countries of Central and South America, where they have captured the greater part of the trade, and are now reaching out for our market by sending experts here to work in our factories as ordinary workmen.

Within a week our firm has learned that an expert who speaks several languages, from one of the large German factories, has come to this country to work as a journeyman in American factories, with special instructions to get into the tool room of our own factory, if possible, and work there for a term at any sort of wages. This is doubtless done in order to qualify him to return to Germany, to copy American jewelry and offer it in our own market in competition with American manufacturers.

The Germans have splendidly equipped factories with much American machinery, and with the highest type of skilled labor, at one-half what we pay for such skill, could embarass us if present tariff rates were lowered.

Fine gold jewelry where there is hand work involved costs about one-third for gold and two-thirds for labor. Thus, if an article costs $15 in our factory, $5 would be for gold and $10 for labor. This same article could be produced in Germany for competition in our market at $5 for gold and $5 for labor, making a cost of $10, which is brought up to $16 by the addition of 60 per cent duty. Thus it is evident that our present rate of duty is not excessive, and any reduction must result in a corresponding reduction in the cost of labor, with its attending ills.

In consideration of the above facts, as the representative of the manufacturers of fine jewelry in Newark, N. J.—the center of production of fine jewelry in this country—and of the manufacturers of fine jewelry, members of the New York Jewelers' Board of Trade, I would, in their behalf, most respectfully request that no changes be made in the present tariff in so far as solid or fine jewelry is concerned.

Respectfully submitted. GEORGE R. HOWE.

THE NEW ENGLAND MANUFACTURING JEWELERS' AND SILVERSMITHS' ASSOCIATION ASKS FOR A DEFINITE INTERPRETATION OF THE WORD "JEWELRY."

PROVIDENCE, R. I., *December 1, 1908.*

Hon. S. E. PAYNE,
Chairman Committee on Ways and Means,
Washington, D. C.

DEAR SIR: We respectfully suggest that paragraph 434 of the present tariff be so amended that it will contain a comprehensive interpretation of the word "jewelry." All existing erroneous classifications of this commodity—whether made of precious or base metals—will thereby be precluded, to the effect that the Government in the future may not be defeated in collecting the proper ad valorem

duty, as intended, by whatever measure adopted, and that the domestic manufacturer may receive fair protection, commensurate with the difference between the cheap labor of Europe and the proper wage of the American artisan.

A brief, setting forth concisely the contentions of the members of this industry, is being prepared, and will be submitted to your honorable body at the earliest practicable moment.

Yours, very truly,

New England Manufacturing Jewelers' and Silversmiths' Association: Henry G. Thresher, chairman; Harry Cutler, Chas. T. Page, Edward A. Sweeney, Samuel M. Einstein, Theodore W. Foster, William A. Copeland, Committee on Tariff Revision.

STATEMENT FILED BY THE NEW ENGLAND MANUFACTURING JEWELERS AND SILVERSMITHS' ASSOCIATION, PROVIDENCE, R. I., RELATIVE TO JEWELRY.

PROVIDENCE, R. I., *January 2, 1909.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: The jewelry and silverware industry, as represented by the New England Manufacturing Jewelers and Silversmiths' Association, was first started in this country in Providence about 1794, and to-day, in the city of Providence, which is noted as a manufacturing center, it stands third in importance. About the year 1800 the industry spread to Attleboro, North Attleboro, and small near-by towns. In the Attleboros the manufacturing of jewelry is practically the only industry. This section of the country is to-day, and has been for over a century, the headquarters for medium and low-priced jewelry.

The association above referred to is chartered under the laws of the State of Rhode Island "for the purpose of engaging in the business of fostering, encouraging, and promoting closer social and business relations among its members, and to assist and cooperate with its members in any and all business matters wherein such assistance and cooperation may be beneficial or expedient." The association appointed a so-called "tariff committee," made up of manufacturing jewelers from Providence and the Attleboros, whether members of the association or not, representing all the different grades of goods manufactured, as well as the different locations in which the factories are situated, thus forming a committee that thoroughly represents the manufacturing jewelers of this locality.

There are no millionaires in our business; neither have we any trade agreements to limit our output or to regulate our prices. The capital invested is estimated at $28,500,000; the number of establishments is about 450; number of employees estimated at 19,000; wages paid annually, $11,138,000, an average per employee of about $586, and our annual sales are $51,500,000. We estimate that within a radius of 15 miles there are upward of 60,000 people dependent upon this industry. With two exceptions, there are no large con-

cerns, the average number of employees in each shop being about 42. The manufacturers situated in this congested district sell to the same customers, whether in Boston or in San Francisco. This makes the home competition exceedingly sharp. The result is that the price of our product is rarely, if ever, raised, but it is an every day occurrence to have the prices reduced by this sharp home competition.

Our product, whether of precious or semiprecious metal, whether designed for purposes of utility or ornamentation, and regardless of its intrinsic value, depends largely for its patronage on the general good condition of the commercial interests of the country, and on the cupidity of human nature; consequently keener competition obtains in the jewelry industry than in any other.

In fine, to produce this luxury we are keenly and constantly competing for ideas, methods, systems, and intelligent labor before we can enter the market, and in no other industry is the "survival of the fittest," and not "capital," so great a factor for success. Conservatively estimated, over 85 per cent of jewelry manufacturers to-day have, by slow and arduous labor, risen from the bench. Those who have failed in the attempt are more numerous than in other industries where "capital" is the predominant basis for success..

The constitution, by-laws, and membership annexed to this brief, coupled with the above contention, will at a glance demonstrate the fact that we have neither trust nor combination, but that each firm is sovereign in an endeavor to shape its own destiny. In addition to this list, and by virtue of authority given, our committee represents every firm in jewelry and allied trade in this section of New England.

The intent of tariff bills of 1890, 1894, and 1897 was to bring jewelry and parts thereof, finished or unfinished, into this country under one rate and under one paragraph, but of late it has been brought in under several rates and many different paragraphs, causing litigation at the custom-house and loss of revenue by the Government. To avoid this trouble, to increase the revenue of the Government, and to bring all jewelry in under paragraph 434 we suggest the following changes:

Paragraph 188. Strike out the words "hat," "bonnet," following the word "safety," as these are jewelry and belong in paragraph 434.

Paragraph 193. Strike out the words "gold," "silver," and "platinum," following the word "zinc," as large quantities of unfinished jewelry, such as sterling silver mesh bags, rolled plated rope, and curb chain, are brought in under this paragraph, whereas they should come under paragraph 434.

Paragraph 414. Strike out the words "or metal" following the word "glass," on the ninth line; also strike out the words "and all collar and cuff buttons and studs," on the sixteenth and seventeeth lines, that it may not conflict with paragraph 434.

Caption over paragraph 434, "Jewelry and precious stones," be amended to read: "Jewelry, precious stones, and manufactures of gold, silver, and other precious metals."

Paragraph 434. Amended to read as follows:

Articles commercially or commonly known as jewelry and parts thereof, including small articles of silverware commonly or commercially known as silver novelties and toilet articles, finished or unfinished, 85 per cent ad valorem, and the term jewelry, as used in this act, shall be held to include all articles made of gold, of whatever karat or fineness; silver, of whatever alloy or fine-

ness; or platinum or any base metals, or any articles of which these metals or either of them form a component part, whether of chief value or otherwise.

All articles commercially or commonly known as millinery and military ornaments and composed wholly or in part of either a precious or base metal; hat pins, of whatever material composed, and all other articles not specially provided for in this act, composed wholly or in part of either of the precious or base metals, designed or adapted for use as ornaments for the person or carried in the hand for purpose of adornment or utility, 85 per cent ad valorem.

In regard to articles made of silver, silver plate, or imitations thereof, known as hollow ware and flat ware, no doubt you will hear from the manufacturers of the same.

Exhibit A consists of samples of chains, foreign and domestic.

No. 6 is a rolled gold plated curb neck chain made in Pforzheim, Germany, and imported into this country in coils, hanks, or on reels, unfinished, as metal paying 45 per cent duty, then polished, colored, and trimmed in this country and sold by the German manufacturer's agent at $3.40 per dozen.

No. 6282 is a similar chain made in the factory of A. H. Bliss Company, at North Attleboro, Mass., and cost at the factory $7.28 per dozen; differential, $3.88, less than one-half the cost of the domestic chain.

No. 12 is also an imported rolled-gold plated neck chain, costing laid down in this country $4.30 per dozen.

No. 6906 is a domestic chain made in the factory of A. H. Bliss Company, of same quality, and costing at the factory $5.12 per dozen.

The apparent difference between these two chains is 82 cents per dozen, but the imported chain has in it 780 more links per dozen, which calls for the additional labor of 780 solderings and linkings not in the domestic chain.

Exhibit B consists of two rolled-gold plated vest chains, also made in Pforzheim, Germany, numbered, respectively, 2534 and 2500, which were sold by the wholesale dealer in this country for $1.83 and $1.70, respectively. These goods can not be manufactured in this country and sold to the jobber for less than $3 each; differential, $1.17.

We desire to call the committee's attention particularly to the fact that while the prices of the American articles are the net cost without any profit, the prices of the imported articles include, besides the duty, profits to the manufacturer and wholesale dealer; and to the still further important fact that these chains were brought into this country unfinished, in coils, hanks, or reels, and under erroneous classification as metals, paragraph 193, at 45 per cent duty, instead of finished jewelry, paragraph 434.

Exhibit C consists of a card of imported German brass swivels, showing jobbers' prices sold in New York. This is marked "No. 1." Also a card of brass swivels manufactured by Robinson Brothers, Plainville, Mass., showing the manufacturer's prices at the factory. This is marked "No. 6." Examination of prices placed on the cards beside each article shows that the cost of manufacture of the domestic article is double the selling price of the imported.

Exhibit E consists of samples of rolled gold plate curbed block chain.

No. 1 is an imported chain, cost laid down in this country 21 cents per foot.

No. 2 is a similar chain, made by Whiting & Davis Company, at Plainville, Mass., and cost 23 cents per foot for labor alone. The total factory cost of this chain is 43 cents per foot.

The committee will please note that the cost per foot for labor alone on this chain in this country is 2 cents more than the cost of the complete chain imported, and that the total factory cost of this chain at the American factory is 22 cents per foot more than the complete imported chain, and this without any profit to the manufacturer.

This example of the importations of chain in its unfinished state, in coils, hanks, or reels, as metal under paragraph 193, when it should be imported under paragraph 434, is similar to Exhibit A, but shows the cost of the chain alone and not the finished neck chain.

Exhibit G consists of six brooches from Gablonz, Austria, numbered respectively on the back with (1) the price in Austria in kronens, (2) the price laid down in this country, and (3) the manufacturer's number. The prices given in this exhibit are by the gross. Price for imported articles are laid down in New York; price for domestic articles are factory cost, no profit whatever being added.

	Imported.	Domestic.	Differential.
No. 7827	$4.05	$12.95	$8.90
No. 7335	6.30	10.30	4.00
No. 7157	5.60	8.42	2.82
No. 7565	11.90	17.15	5.25
No. 7373	4.80	10.00	5.20
No. 7407	6.30	11.63	5.33

Consider the amount of labor and material in brooch marked X on the front of the card.

There are in 1 gross brooches 144 joints, 144 catches, 144 pin stems, 144 bases, 3,312 settings, and 3,312 stones; total, 7,200 pieces.

In addition there is the labor of setting 3,312 stones in the same number of settings; also the 144 brooches must be colored or dipped. The finished article is sold (we suppose with a profit) by the manufacturers in Europe for $3.60 per gross, or 2½ cents for each brooch. A duty of 325 per cent would square our factory cost.

Exhibit H, No. 1, consists of a card showing imported enameled metal buttons from France, brought into this country under paragraph 414 at a duty of 14 per cent ad valorem and a specific duty, making total duty of about 16 per cent.

Nos. 2 and 3 show similar buttons with the eyes cut off and the tops soldered to a stem for use as hat pins, thus made into jewelry; therefore, as unfininshed jewelry they should come under paragraph 434 and pay duty as jewelry. The making of dress buttons used to be quite a feature of our business, but on account of the low duty above referred to and improper classification, we have lost this branch of the industry.

Exhibit I consists of one card of findings and one of brooches.

No. 1 is a card of imported findings, suitable and used for brooches, hat pins, buckles, millinery ornaments, etc., the average cost of which, laid down in this country, including 45 per cent duty and all other expenditures, is $25.10 per gross. Domestic cost, $33. Differential, $7.90.

Card No. 2 shows five imported brooches from Gablonz, which cost laid down in this country under paragraph 434 an average of $10.18 per gross.

Mr. Max Duetz, of Providence, R. I., who makes similar goods, states that these brooches can not be produced in his factory for $20.50 per gross. Differential, $10.32.

Card No. 3 shows five imported brooches, laid down in this country at an average cost of $12.81 per gross. Compare this card with card No. 4, which consists of five domestic brooches, made from imported findings similar to card No. 3. The average factory cost is $29.66 per gross. Differential, $16.85.

Card No. 5 consists of five imported brooches, laid down in this country at an average cost of $24.14 per gross. Compare this card with card No. 6, which consists of five domestic brooches made from imported findings at an average cost to manufacture of $40.80 per gross. Differential, $16.66.

Brooches on cards No. 3 and No. 5 pay 60 per cent duty, and yet similar brooches (see cards 4 and 6) made here of imported findings cost 90 per cent more than the imported ones are laid down in New York for.

Now, this wide difference is wholly a question of labor, as the base material (brass) costs practically the same in this country as in Gablonz. On this class of goods our workers receive from $1.50 to $2.50 per day. In Gablonz these goods are made in the homes. The families are large, composed of from five to ten children. It is a very young child that can not do some part of the work. Consequently, mother, father, and the children make jewelry. They earn 25 to 30 cents per day. To make these findings requires skilled tool makers, which in this country are paid from $3 to $6 per day. In Gablonz they receive $1 to $1.50 per day. There are no child-labor laws to contend with; there is no limit to the hours of labor per day or per week; no expense for foreman, superintendent, bookkeeper, rent of factory, or depreciation of plant. The one room where the family lives answers the purpose of dining room and kitchen, parlor and bedroom, office and factory.

Our state laws limit the hours of labor per week; also prohibit the employment of children under 16 years of age, except under certain restrictions. Census for State of Rhode Island for 1905 shows total number of children under 16 years of age employed in the jewelry industry to be 141. With only 141 children employed, with the hours of labor restricted, how can we compete with Gablonz except by an increased duty? We ask protection for the American worker, and with a higher rate of duty and paragraph 434 amended so as to bring in under it all articles of jewelry, finished or unfinished, we can put hundreds of jewelers at work. Jewelry is a luxury and should provide revenue for the Government by paying a high duty.

Exhibit M consists of one knife, one pencil, one mirror and comb set in leather case. These are called silver novelties, but we consider them jewelry, as they are made by our manufacturing jewelers. Knife in sterling silver laid down in this country costs 29 cents; factory cost of domestic article is 48 cents; differential, 19 cents. Pencil in sterling silver is laid down in New York for 21 cents; domestic article costs 30 cents; differential, 9 cents. Mirror and comb set, in leather case, comb with sterling silver mounting, laid down for 21 cents; domestic article, 33 cents; differential, 12 cents.

Webster defines jewelry as "jewels or trinkets in general." These and many similar trinkets, called by the trade "silver novelties," are made by jewelers in our jewelry factories, and should come in under paragraph 434 as jewelry, not as silver or silverware under paragraph 193.

If the manufacturers of silver and silver-plated ware, commonly known as "flat ware" and "hollow ware," are satisfied with the present tariff, and as we have recommended that the words "gold," "silver," and "platinum" be stricken from paragraph 193, would it not be well to have a paragraph 434A, to read somewhat as follows:

"Silverware, of whatever degree of fineness, known as 'flat ware' and 'hollow ware,' also silver-plated ware or imitations thereof known as 'hollow ware' and 'flat ware,' ——— ad valorem."

We suggest this not to interfere in any way with the manufacturers of hollow ware and flat ware made of silver or of silver plate, as without doubt they know the conditions under which they labor much better than we do, but simply to clear paragraph 434 so that it will apply wholly to articles of jewelry.

Exhibit N consists of four imported rolled gold-plated neck chains.

No. 1. The importers' price is $9.70 per dozen. The selling price of the A. A. Greene Company, of Providence, R. I., is $18 per dozen. Differential, $8.30.

No. 2. The importers' price for 18-inch chain is $5.40 per dozen. A. A. Greene Company's price for 18-inch chain is $9.90 per dozen. Differential, $4.50.

No. 2 in 13 inch, the importers' price is $4 per dozen, and A. A. Greene Company's price is $7.20 per dozen. Differential, $3.20.

No. 4. Importers' price is $5 per dozen, and A. A. Greene Company's price is $9 per dozen. Differential, $4.

The importers' prices are subject to 2½ per cent for cash. A. A. Greene Company's are less than 6 per cent for cash in ten days.

In other chain exhibits the domestic prices quoted have been the manufacturer's cost price. In this exhibit we are obliged to quote the manufacturer's selling price of the domestic goods with the importers' selling price of the imported articles. As the importer and the domestic manufacturer both sell to the wholesale or jobbing jeweler, the above comparisons are fair.

Exhibit P. This exhibit consists of two samples of imported and two samples of domestic rope chain of corresponding sizes.

No. 500, imported, cost complete laid down in this country 38 cents per foot.

This same chain made by Chapin & Hollister Company, Providence, R. I. (see Exhibit P, marked "No. 500, domestic"), cost 50 cents per foot. Labor alone on this chain is 42 cents per foot. Labor alone on this chain in Pforzheim is 16 cents per foot. Differential, in labor alone, 26 cents per foot.

No. 74, imported, cost complete laid down in this country 42 cents per foot.

The same chain made by Chapin & Hollister Company (see Exhibit P, marked "No. 74, domestic") cost 60 cents per foot. Labor alone on this chain is 47 cents per foot. Labor on same chain in Pforzheim is 18⅔ cents per foot. Differential, on labor alone, 28⅓ cents per foot.

Exhibit Q. No. 1 consists of two cards of nickel fobs showing a large amount of hand work on the charms. These fobs were formerly

made in this country and gave employment to a large number of workers, but owing to the difference in the cost of labor, as referred to under Exhibit I, our manufacturers are obliged to give up this branch of their business.

No. 2 consists of a pad showing nickel vest chains, put up as they are sold by the manufacturer, the Fontneau & Cook Company, of Attleboro, Mass. These were formerly sold for $36 per gross, but by German competition they have been reduced to the present price of $24 per gross, less 10 per cent cash in ten days. This is below actual cost to manufacture in this country, but the German chains are imported and sold for less money. Consequently the American manufacturer must soon give up this branch of his business also.

The O. M. Draper Company, of North Attleboro, Mass., have made nickel chains similar to those submitted in this exhibit for nearly fifty years, and were at one time the largest manufacturers of this line of goods in this country, doing quite an export business, but they have been compelled to give up this line owing to German competition, as stated above. This staple branch of the jewelry business has been lost to the American manufacturer.

Exhibit T. No. 1 consists of an imported brooch, which costs laid down in this country 4 cents each.

No. 2 is a similar brooch, manufactured in Providence, R. I., at a cost for labor alone of 11 cents each. Total finished brooch costs 20 cents; differential, 16 cents.

Exhibit W. Consists of a mesh bag. It is a sterling silver mesh bag, $\frac{9.3.5}{1.0.0.0}$ fine, purchased from Robert Friederich, Pforzheim, Germany, whose bill and invoice is annexed to this statement. It was imported under the metal clause and paid 45 per cent duty. This mesh bag is composed of 13,804 links. It represents, therefore, the winding up or making of 13,804 links, the linking together of 13,804 links, and the soldering of 13,804 links. This mesh, with its large amount of hand labor, the sterling silver and manufacturers' profit, is laid down in New York, including 45 per cent duty, the United States broker's fee, 5 per cent commissions, postage and cost of insurance, and draft on Germany, for $8.53. The same bag made at North Attleboro, Mass., fully itemized, as per statement hereto annexed (see confidential Exhibit A), cost $13.98, without any factory expense added and without any profit, making a difference of $5.45 in favor of the imported bag. The manufacturers' selling price of this sterling silver mesh bag in Pforzheim is $5.59. The percentage of duty which would be necessary to make the imported bag equal the factory cost of the one manufactured in America without any profit would be 141 per cent.

We have attached to this statement the exporters' invoice and duplicate consular invoice and United States broker's receipt and manufacturers' figures, making comparison on the cost of this bag laid down in this country as compared with the same meshes of American manufacture, because it is a most conspicuous example of two factors that largely affect the jewelry industry of this country, namely, first, the erroneous classification where such an article as this sterling silver mesh bag is brought in under paragraph 193 as metal, instead of paragraph 434 as unfinished jewelry; second, the wide difference in the cost of labor here and in Germany, as in the case of this bag the item of American labor alone exceeds by more than 100 per cent the total cost of the imported bag laid down in

New York. Help in this country capable of making soldered mesh bags earn from $1.50 to $2 per day. It requires several months to learn to solder well and quickly, and to-day our manufacturers are selling more mesh bags than ever, and employ only about one-tenth as many mesh bag makers as formerly because they are compelled to use the imported mesh.

We show a finished bag from this same imported mesh with domestic frame and chain which is the product of our jewelry factories and which is considered by our manufacturers and dealers as jewelry, and should come in under paragraph 434. The large amount of labor required to solder this mesh containing 13,804 links is an important feature of the jewelry industry, and when the mesh is imported is a serious loss to our workers, as it throws hundreds of American help out of work.

In this connection we wish to state that the soldered mesh-bag industry is lost to our manufacturers on account of the imported article, and that hundreds of our mesh-bag workers are idle. To cite a single instance: Mr. Whiting, of Whiting & Davis Company, of Plainville, Mass., states that his firm formerly employed from 35 to 40 people soldering mesh bags in his factory, and now employs but 3, and those simply to take care of repairs, as they import mesh bags, including the silver, less than the labor alone costs in his own factory. This illustration applies to all our soldered mesh-bag makers, and unless you give us relief the soldered mesh-bag business will go where the nickel fob and vest chain have gone—to Germany.

Exhibit X consists of 3 German silver silver-plated mesh bags, marked No. 1, No. 2, and No. 3.

No. 1 and No. 3 are imported from Pforzheim, Germany. No. 2 is made at North Attleboro, Mass. No. 1 and No. 3 are called fine mesh. No. 2 is coarse mesh. These meshes are made by hand, each ring being handled separately. The finer the mesh the larger the number of rings used, consequently an increased amount of labor.

Foreign bag No. 1 costs, duty paid, fine mesh, $3.45. Domestic bag No. 2 costs, fine mesh, $4.57. Differential, $1.12. Foreign bag No. 1 costs, duty paid, coarse mesh, $2.70. Domestic bag No. 2 costs, coarse mesh, $3.97. Differential, $1.27. Foreign bag No. 3 costs, duty paid, $5.51. Domestic bag No. 3 costs $7.77. Differential, $2.26.

Bag No. 3 has a hand-sawed, hand-engraved frame, and is a beautiful example of bag, with a large amount of hand labor in the frames. Practically 90 per cent of the cost of this bag is labor.

The lining in our bag No. 2 is not a feature of additional expense, but rather one of less expense, which enables us to use coarser links and cut down the labor of joining mesh to the frame. Please note that domestic bag No. 2, with 3,720 links, costs more than imported bag No. 1, with 6,312 links, which is accounted for by the difference in wages between the two countries.

The name of the firm manufacturing the above domestic bags will be found in confidential Exhibit B.

Exhibit Y consists of a small reel of imported rolled-gold-plated rope chain and a hank of rolled-gold-plated curb chain, showing the form in which they come to this country. They are brought in under paragraph 193 as metal, paying 45 per cent duty. When finished they are used only for jewelry. In fact, it is in its present condition

nothing but unfinished jewelry, and should pay duty under paragraph 434. See Exhibit N for finished curb, rope, and cable chain similar to this exhibit. There is quite a variety of sizes of curb and rope chain like these samples; also cable chain (so called) imported in this condition and polished and trimmed in this country as neck chain, guard chain, etc.

Joseph Lawrence, of Providence, R. I., is a maker of rope chain, and formerly employed 60 hands; to-day has only 12, as he can not compete with the imported rope chain. A similar condition prevails with all our rope-chain manufacturers. As rope chain is a staple article, some of our manufacturers have established factories in Germany and are making rope chain, as they can not do so at a profit at home. It takes a girl from six months to a year to learn to make rope chain, and good rope makers here earn $2 per day. A large wholesale jeweler in Boston said to me the other day: "You are surely up against it on the chain business. I buy the imported neck chains and lorgnette chain not 10 per cent cheaper, but 40 to 50 per cent cheaper than the domestic chain, and I have tested the chain and know they are just as good in every respect as the domestic chain."

Conditions have changed since the enactment of the Dingley bill. Up to, say, three years ago the foreign rope chain was inferior to ours, but to-day it is much better made and is nearly as good as the American chain. In addition to better workmanship, they have learned to make a better quality of rolled-gold-plated wire for their chain, and in addition reduced price about 10 per cent. During this period wages in Rhode Island have advanced 29.8 per cent. You will notice the increase in duty which we ask for is more than offset by the improvement made by the foreign manufacturer in the quality of his goods, in the reduction he has made in his price, and the advance paid in wages in this country.

As mesh bags and rope, cable, and curb chain come from Pforzheim, we submit list of wages paid there and in Providence, R. I.:

	Providence, R. I.	Pforzheim.	Differential.
	Per day.	*Per day.*	
Jewelers	$2.50 to $3.50	M4.04 toM4.40	$1.25 to $2.40
Stampers	2.00 to 3.50	4.04 to 4.40	1.00 to 2.40
Stone setters	3.00 to 5.00	5.02 to 5.50	1.75 to 3.65
Engravers	3.00 to 3.50	5.42 to 6.00	1.62 to 2.00
Tool makers	3.00 to 6.00	4.87 to 5.20	1.80 to 4.60
Helpers	1.00 to 1.66	3.18 to 3.40	.20 to .80
Polishers	2.00 to 3.00	2.48 to 2.68	1.38 to 2.30
Chain makers	1.16 to 2.00	2.49 to 2.70	.55 to 1.30
Foreman	4.16 to 5.00	8.00 to 12.00	2.20 to 2.00

We have not the cost of labor in detail as above for Gablonz, where Exhibits G and I came from, but we are told that labor is very much cheaper in Gablonz than in Pforzheim.

Exhibit Z consists of 14 samples of rolled-gold-plated cable chain soldered by an expert gold and silver smith of Japan. Domestic prices quoted are from a manufacturing company of Providence, R. I. It is exactly what they pay their chain makers without any overhead charges (which are 33⅓ per cent) or allowance for solder used, or profit in any form.

The foreign prices are f. o. b. Yokohama,

Number.	Domestic soldering per foot.	Japanese soldering per foot.	Differential.
	Cents.	*Yen.*	*Cents.*
9	8	0.07	4½
12	4	.03	2½
12A	4	.04	2
13	5	.07	1½
14	4	.04	2
16A	3½	.04	1½
17	2½	.04	1
17A	3½	.03	2
21	2½	.02	1½
21A	3	.03	1½
21B	2	.02	1
21R	4	.03	2½
24	3	.03	1½
25	2½	.02	1½

With this unfair comparison, the Japanese prices are on the average just one-half the domestic prices. I wish to quote part of the Japan Manufacturing Company's letter of November 5, 1908, as follows: "Our present capacity in soldering is about 5,000 feet per day. It will, however, be very easily increased if necessary to any more, and when your order be a large one we will make special quotations at a lower figure and sincerely ask your patronage." In this quotation from this letter you will notice that the Japan manufacturers of their own accord plainly state their willingness and ability to quote lower prices if they can have the business. For the names of the foreign and domestic chain makers see Confidential Exhibits C and D.

The plated wire used in this chain is made in this country, and by special machinery is wound, sawed, and linked ready to solder. This is the way the importation of rolled gold-plated rope chain began in this country; that is, wire was made here, sent to Germany, and returned in the shape of rope chain. Soon the Germans bought a chain machine here, and made themselves as many more as they needed. They also improved the quality of their rolled gold-plated wire so that to-day we have practically lost the exportation of plated wire to Germany to be made into chain.

The Japanese are bright people, good at copying, and in a very short time will have chain machines of their own, will also make the plated wire, and all that has been done to us by the Germans will soon be duplicated by the Japanese.

When the Dingley bill was passed we feared England and France on certain lines. To-day Germany has taken the place of both of these countries and in the near future, from present indications, we shall witness an industrial battle for the jewelry business of this country between Japan and Germany.

The Germans already have us at a great disadvantage on account of the difference in labor. What will happen when the Japanese get into this market in earnest no one can foretell.

In this connection I wish to state that from cable chain like this exhibit we make curb chain. See exhibits Y and A.

Exhibit AA.—Catalogues. To substantiate our claim that mesh bags, silver novelties, toilet articles, and other silver goods should be

classed as jewelry, we submit two catalogues of Paye & Baker Company, manufacturing jewelers and silversmiths of North Attleboro, and one of Theodore W. Foster & Bro. Company, of Providence, showing that these articles are made by our jewelry factories, in connection with a general line of jewelry, and sold to the trade as jewelry.

We also submit finely illustrated and extensive catalogue of Franz Spiedel, a large manufacturer of chain in Pforzheim, Germany, who, it is said, is importing large quantities of chain into this country; also Japanese catalogue of Messrs. Shimizen & Co. (read from the back) illustrating a large variety of jewelry consisting of scarf pins, charms, rings, chain, pencils, spectacles, toilet articles, etc., showing the Japs are willing to supply us with jewelry as well as chain. (See Exhibit Z.)

There is a large volume of business done all the year round on millinery ornaments. They are practically all imported at the present time. Our manufacturers who make the cheaper grade of goods have the facilities, the tool makers, the bench hands, the colorers, the stone setters, and the shops to make these ornaments. They are anxious to get this business, but can not do so on account of the low wages abroad and the low duty at home. Put millinery ornaments in paragraph 434, and we can get a share of this business, and the Government get an increased revenue, as lots of goods are bound to be imported anyway.

We have seen a copy of the brief submitted by Doctor Kunz, gem expert (for several years connected with the house of Tiffany & Co., New York), in which he states that the duty of 60 per cent on jewelry is prohibitive, and 30 to 40 per cent would produce more revenue to the Government, and we answer that statement by saying that undoubtedly Mr. Kunz had in mind jewelry of the more expensive character, jewelry made by the single piece, a special design of which is made for that particular piece, and is not duplicated for another similar piece, such as the finest specimens of the jewelers' art that can be produced in Paris, Berlin, St. Petersburg, and other high-art centers, jewelry set with many high-cost precious stones.

It is very evident that Doctor Kunz did not have in mind, and barely possible that he does not know about, the jewelry that is made in Providence and the Attleboros, to be sold by the dozen and by the gross, the kind of jewelry made in large quantities in our factories in which the labor cost exceeds by far that of the material used therein.

Please note in our exhibits the item of labor exceeds many times the cost of the material used. By comparing our exhibits with our statements of costs here and abroad, you will see that Doctor Kunz's statement of 30 to 40 per cent duty does not fit our industry on the top, side, or bottom.

An importer in New York has samples of gold brooches set with pearls and corals brought in under paragraph 434. If this can be done to-day, wouldn't the jewelry factories of Pforzheim get busy if you followed Doctor Kunz's suggestion and made the duty on jewelry 30 to 40 per cent, and wouldn't it close a like number of factories in Providence and the Attleboros? We surely know it would.

Furthermore, you can readily see the duty asked for, 85 per cent, is nowhere near equal to the difference between the labor abroad and the labor here on the same article. Consequently, duty recommended

by us, not being prohibitive or anywhere near it, will protect the industry somewhat and produce a greater revenue than the present rate of duty.

As a remedy for existing evils as shown by our exhibits we urge that our recommendations in regard to correcting wrong classification be adopted.

Also, that paragraph 434 be amended so that jewelry finished or unfinished will come to this country as jewelry and pay duty as jewelry rather than as metal.

Our exhibits show that our product is 75 to 95 per cent labor, and in consideration of the price paid labor here and abroad the present duty does not give us adequate protection—that we need a duty commensurate with the difference between labor here and abroad.

Our request for a duty of 85 per cent ad valorem is not prohibitive. The foreign manufacturer, as represented by agents in this country, boasts that if we double the duty he can still bring his goods in, and we firmly believe that with the rate we ask for with his cheap labor he will be able to export jewelry to this country to such an extent as to be a formidable competitor of the home product, but with the advanced rate of duty, proper classification, and the doing away with the so-called "German agreement" the Government could reasonably expect an increased revenue, as heretofore it has been a great loser by wrong or improperly interpreted classification.

TARIFF COMMITTEE OF NEW ENGLAND MANUFACTURING JEWELERS AND SILVERSMITHS' ASSOCIATION.
HENRY G. THRESHER, *Chairman.*

STATE OF RHODE ISLAND, *County of Providence:*

In the city of Providence, on this 9th day of January, A. D. 1909, personally appeared Henry G. Thresher, to me known, and he subscribed the foregoing brief in my presence and made oath that all information and statements contained therein are true and correct, to the best of his knowledge and belief.

Before me:

[SEAL.] ROBERT S. EMERSON, *Notary Public.*

PRECIOUS STONES.

(Paragraph 435.)

WILLIAM C. WULFF, CHICAGO, ILL., ASKS THAT CUT AND UNCUT STONES BE ADMITTED FREE OF DUTY.

CHICAGO, ILL., *November 24, 1908.*

Hon. H. S. BOUTELLE, M. C.,
Washington, D. C.

DEAR SIR: The revision of the tariff, in my estimation, should include our industry. Cut and uncut stones are raw material. The great cry of protection to infant industry of diamond cutting has been a farce the past year or eighteen months. I had conversation with cutters of New York and Brooklyn, where most cutting is done in America, and the little employment they had and the product they made

(commercial cutting) was of so small an amount compared to the importation that the cry of supporting an infant industry is absurd, when you realize that if we had the tariff on diamonds off and unset admitted free of duty, the greatest incentive for smuggling is removed; the same applies to cheap imitation sets, corals and cameos, mostly imported. These are raw material, figuratively speaking, in my estimation, in our industry. The set article, or mounted as some call it, and the finished jewelry can well be protected, but why the raw material? The middle class want the genuine article.

Visit the city of Providence and Attleboro, where ten-hour day prevails, and see the result of tariff legislation, and they are its main adherents; so am I on the finished product, but not on raw material. Every other city in United States has a nine-hour day. Let them introduce American ideals in those cities and ask for cheaper raw material if it is so difficult to inaugurate the shorter workday and abolish child labor there.

Let Providence, R. I., and the two Attleboros, Mass., get a prod and you can serve one of your constituents by so doing and oblige,

Yours, for American ideals in our industry,

WM. C. WULFF,
Editor and Publisher Jewelry Worker.

STATEMENT OF L. M. VAN MOPPES, REPRESENTING VAN MOPPES & SON, 87 NASSAU STREET, NEW YORK CITY, RELATIVE TO BORTZ AND ROUGH DIAMONDS.

SATURDAY, *November 28, 1908.*

Mr. VAN MOPPES. Mr. Chairman and gentlemen of the Ways and Means Committee, I have come here to talk to you in regards to having a protective tariff placed on bortz and carbon rough diamonds that are imported into this country and used for mechanical, scientific, and experimental purposes.

I desire to state that I am and have always been an importer of bort and carbon rough diamonds for about twenty years past, and during all those years I have never before complained to our Government about the cutthroat European competition that I have been contending with in my business. During the past five years I have continually foreseen and known that the time would soon come when I would find it to be absolutely necessary to ask our Government for a protective tariff, and in my two letters of September 19 and November 5 to your honorable committee I have already explained some of the unfair conditions in my business about which I have reason to complain.

Now, I have a few other facts to talk to you about, and these facts are that I believe it would be very wise and just to all American importers of bort and carbon rough diamonds, and also at the same time profitable to our Government, to put a tariff on all kinds of bort and carbon rough diamonds. I stated that I believe it would be wise and just to all American importers, etc. By that I mean the competition of European dealers who are sending bort and carbon rough diamonds on approval to American users or consumers would no doubt soon be terminated by having a protective duty on such goods, as European dealers would not be willing then to send their goods here subject to approval and selection to anybody if they (the European dealers) had to pay a duty and then had to stand a

chance of getting their goods sent back to them again as being unsuitable.

For instance, there is a firm in Scotland that recently established a branch in this country to manufacture and sell diamond-set stone saws in this country. The American branch of this firm now receives every week or two weeks from their Scotland people packages of unset bort rough diamonds.

From these packages of bort they select what they need for their own business and then sell the balance to American users, or if they can not sell the balance, they reship them back to Scotland. This Scotch firm has been doing a very good business in this country, making and selling diamond-set stone saws to American stone works, but still absolutely refuses to buy any rough diamonds from any American importer.

Now gentlemen, I ask you are such conditions fair or unfair to our American importers, and would it not only be just and right that our American importers should be protected by our Government against such conditions? Also, gentlemen, is it fair or unfair to our American importers that any individual or firm in London, Paris, Amsterdam, or Antwerp who desires to become a cutthroat competitor of American importers should be so easily able to accomplish their purpose in our free-of-duty American market?

In conclusion, I also wish to again call your attention to the facts which I have written you previously regarding drilled, ground, or shaped bort and carbon diamonds that are at present admitted free of duty into this country.

Owing to these conditions two French firms have lately come to New York and started each a small shop, having two or three men working, setting the drilled, ground, and shaped stones into brass drawplates and other kinds of settings. The drilling, grinding, and shaping of rough diamonds has been done here in this country very largely for many years, but this industry in this country is now being ruined entirely, and good American firms to whom we have formerly sold many thousands of dollars' worth of rough diamonds annually are now also commencing to import drilled diamonds from Europe direct, in order to try to compete with the Frenchmen who have come here, owing to the free-of-duty law on drilled, ground, and shaped diamonds.

I desire to thank you, gentlemen, for your kind attention, and hope my arguments will meet with your favorable consideration.

GEORGE F. KUNZ, OF NEW YORK CITY, SUGGESTS SCHEDULE OF RATES AND CLASSIFICATION FOR PRECIOUS STONES.

NEW YORK, *December 1, 1908.*

Hon. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: For twenty-five years I have been on familiar terms not only with the leading as well as the smaller dealers in jewelry, but also with lapidaries, gem engravers, and gem cutters, and find that as a general rule they are only interested in the duty which immediately concerns them personally, without the least regard to what may affect the lesser or greater numbers of the same profession. For this reason

it occasionally happens that a number of the forms of precious, semiprecious, and gem stones are overlooked, because those men who deal in them have not the means to represent themselves properly at investigations carried on at a distance. The brief herewith submitted is presented with a view to doing justice to all concerned and to simplifying the complexities of the present tariff.

If provisions similar to those herein proposed be embodied in the tariff, much of the needless litigation over technicalities, which constantly presents itself to the New York customs officials, will be done away with, and, at the same time, if the precious-stone duty only is enforced in the case of pearl necklaces and of valuable precious stones contained in jewels, a larger revenue will be collected. In this way the country need not humiliate itself by keeping a staff of detectives in the larger European hotels, sometimes producing results not entirely satisfactory, but scarcely surprising, in view of the great bounty offered to the officers of the law, whose zeal is sometimes unduly stimulated thereby.

Under present conditions many heirlooms, old pieces of jewelry, and gifts of precious stones in their original settings are probably not declared at present, although they would be declared if a precious-stone duty of 10 per cent were imposed. At present, if through some error such articles are brought over, the 60 per cent duty is generally paid under strenuous protest, and it causes much personal hardship to the innocent importer, generally a private party only and not a dealer.

Precious stones in their natural state, uncut, 10 per cent ad valorem.

PROPOSED TARIFF FOR PRECIOUS AND SEMIPRECIOUS STONES AND GEM STONES.

That all precious, semiprecious, gem, and ornamental stones, such as diamonds, rubies, sapphires, emeralds, chrysoberyls, cat's-eyes, alexandrites, tourmalines, aquamarines, zircons, garnets, and other stone materials, when natural and not artificial, to be used in jewelry, or for art objects or bric-a-brac, or in mechanical processes, whether cut, polished, or engraved, and whether loose or strung as spheres, slabs, cubes, or in any other form, shall be dutiable at the rate of 10 per cent ad valorem. In this class shall be included rock crystals, agates, and all varieties of the quartz group, as well as jade, malachite, lapis lazuli, crocidolite, amber, coral, satin spar, etc., whether natural, colored, dyed, stained, or treated in any other way, but it shall not include marble, either carbonate of lime or carbonate of lime and magnesia.

PROPOSED TARIFF ON ARTIFICIAL AND IMITATION STONES.

Artificial and imitation stones of all kinds shall be assessed at a duty of 20 per cent ad valorem.

That pearls of every form and variety, when of natural origin, whether round, drilled, split, half pearls or seed pearls, and whether loose, assorted, or strung, shall be dutiable at the rate of 10 per cent. When any such pearls are held together by a clasp or snap, this shall be dutiable at the rate of 30 per cent as jewelry, unless the stones in the clasp or snap should have a greater value than the setting, in which case the stones shall be subject to a duty of 10 per cent, while the setting shall be dutiable at the rate of 30 per cent as jewelry, and

the same conditions and rates shall apply to any bars or other ornaments connected with a pearl necklace.

PROPOSED TARIFF FOR CULTURE PEARLS OR PEARLETTES.

That the pearl-like objects produced by introducing pellets of wax, bone, ivory, or any other substance into pearl shells while in growth and which, when removed from the shell, have only a slight coating of the pearly nacre and are known as culture pearls or pearlettes, shall be subject to a duty of 20 per cent ad valorem.

JEWELRY.

The term "jewelry" shall be used to designate all ornamental objects composed of gold, platinum, silver, iron, or other material used for adornment if under $50 in value. If of greater value than $50, and if more than one-third of this value consists in diamonds, pearls, or precious or semiprecious stones of any kind these objects shall be called "jewels," and the value of the setting shall be dutiable as jewelry, but the content, as precious stones, shall only be subject to the duty levied on diamonds and precious stones. The setting itself, however, is to be dutiable at from 30 to 60 per cent, as may eventually be decided. In other words, if an ornamental object as a whole be appraised at $1,000, and contained precious stones at $900, there shall be a jewelry duty on $100 as the value of the setting, and a precious-stone duty on $900 as the value of the precious-stone material; or if the object as a whole be worth $1,000, the setting alone being $10, and the precious-stone material $990, there shall be a precious-stone duty of 10 per cent on the content and a jewelry duty upon the setting.

A duty of 60 per cent upon jewelry is excessive and prohibitory. If the duty were 30 or 40 per cent, the United States Government would collect a much larger sum in customs, as there would be more purchasers to pay duty and less jewelry could be brought in without having been declared.

Respectfully submitted.

GEORGE F. KUNZ,
D. Sc., A. M., Ph. D.,

(Special agent United States Geological Survey 1882 to date; the only honorary member Chamber of Commerce of Precious Stones of France.)

INSTRUMENT JEWELS.

[Paragraph 435.]

JOHN WENNSTROM'S SONS CO., SUFFERN, N. Y., WISHES AN INCREASE OF DUTY ON THESE ARTICLES.

SUFFERN, N. Y., *December 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We note that your committee has been called upon to investigate the tariff conditions and to recommend changes and reforms where needed, and we therefore wish to call your attention to the condition of affairs in our particular line of business and trust you will be able to give some relief.

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or slate mantels (35 or 40 per cent), or some other outlandish schedule which has nothing to do with our business. In other words, we should like the tariff rewritten in such a way that the little things which the importers bring in, suitable only for jewelry purposes, shall be brought in at a reasonable rate.

I want to say, gentlemen, that in 1894, under the Wilson tariff, an effort was made to get a larger revenue from pearls and precious stones, on the theory that these were articles of extreme luxury that could well bear the burden of such a tariff. We agree with the framers of that tariff that if it were possible to collect a duty of that kind it would be a good thing and we would not object.

The CHAIRMAN. I do not think we will try any experiment of that kind. It has been so thoroughly tested that I do not think this committee will go into it.

Mr. ROTHSCHILD. If this committee feels that way, I have nothing further to say on that point. I wanted to give you a few facts.

The CHAIRMAN. If you present any arguments, we may do it; but I do not think it probable.

Mr. ROTHSCHILD. Very well. I will simply file a brief, then, within a few days.

Mr. CLARK. Why not?

Mr. ROTHSCHILD. Why not what, sir?

Mr. CLARK. Why not do the very thing that you suggested—change it?

Mr. ROTHSCHILD. For this reason: Two years before the Wilson bill the importations of diamonds and precious stones were about $14,500,000. Two years after the Wilson bill they were less than $5,000,000. Two years after the Dingley bill they were $19,000,000. That was for the reason that smugglers did the business and honest men were put out of business, and the Government did not get the revenue. That was the reason, sir.

Mr. CLARK. Why did they not "jug" the smugglers?

Mr. ROTHSCHILD. They tried to "jug" the smugglers, but when you can put $100,000 worth of stuff in a pocketbook or in a small package, with our immense border line and with our immense seacoast line, it is a physical impossibility. We would like it, gentlemen. We were practically out of this business for three years.

STATEMENT SUBMITTED BY LUDWIG NISSEN, REPRESENTING IMPORTERS AND RETAILERS OF PRECIOUS STONES.

SATURDAY, *November 28, 1903.*

Mr. Chairman and gentlemen, this committee appears before you representing, as it believes, practically the united opinions and wishes of the manufacturing, importing, jobbing, and retail interests of the jewelry and kindred trades of the United States. It is not here asking for an increase of protective duties; neither is it here to advocate the lowering of these duties, though in some instances they are imposed for revenue only, there being no protective feature in them, because of the fact that the articles upon which they are imposed are

neither found, mined, or manufactured in this country. But it is here for the purpose of trying to aid you in putting upon the statute books a law that, so far as the paragraphs relating to our particular business is concerned, shall be simple, concise, and unmistakable in its terms, so as to leave no possible room for misinterpretation or whimsical construction. I personally am particularly deputized to speak for the pearl-importing interests. We ask you to substitute for the clause relating to pearls, now reading as follows: "Pearls in their natural state, not strung or set, ten per centum ad valorem;" a clause reading like this: "Pearls, whether whole, split, drilled, or strung, but not mounted or set, ten per centum ad valorem; all imitations of pearls not mounted or set, twenty per centum ad valorem." This leaves out the present term employed "in their natural state."

No one wants to import pearls further manipulated than drilled, and drilled pearls we should consider to be pearls in their natural state. Pearls are among the few things that nature produces without requiring the aid of artisans or mechanics to make them useful and marketable as a complete and finished article. That particular language seems to have been responsible for the varying chaotic constructions placed upon the intent of the law. Some small shipments of pearls, though imported loose, in packages of various sizes and values, have been construed to be necklaces dutiable at 60 per cent ad valorem. This construction, with a stretch of the imagination, might almost be made to apply to all drilled pearls, for at least 90 per cent of them are finally used in that way. But if it was applied it would drive the price of pearl necklaces so high that nobody could afford to buy them in this country, thereby not only depriving the Government of the duties now collected on same but also depriving the legitimate American importer and dealer of the business he is rightfully entitled to. As a matter of fact, no one has ever paid 60 per cent duty on necklaces, or drilled pearls attempted to be construed as necklaces, imported, except in two instances which are now in litigation. In answer to the arguments that will undoubtedly be made that these articles of luxury should be made to bear a higher rate of duty, we respectfully submit that experience has shown that more than 10 per cent can not be collected, that is, that a higher duty, considering the small bulk of precious stones and pearls, encourages smuggling and that, as a matter of fact, during the existence of the 25 per cent duty under the Wilson tariff act the Government collected less duty than at any time before or since under a 10 per cent duty, and that during that period it was practically impossible for the honest merchant to import precious stones and pearls.

BRIEF SUBMITTED IN BEHALF OF THE IMPORTERS OF AND WHOLESALE AND RETAIL DEALERS IN PRECIOUS STONES AND PEARLS, WITH SUGGESTED SCHEDULE.

WASHINGTON, D. C.,
February 1, 1909.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned, representing practically all of the importers of and wholesale and retail dealers in precious and imita-

tion stones and pearls, respectfully call the attention of your committee to some desired changes in the wording of the schedules affecting their business.

These changes can not materially affect the revenue which the Government derives from the goods covered by the schedules referred to, and if adopted they will make for simplicity and certainty, and so will greatly reduce the chances of litigation.

At the outset we wish to emphasize the point that we have separated all genuine stones from imitation stones or material. The first group consists of genuine precious stones, pearls, corals, shell, ivory, porcelain, paintings, and mosaics, for which we ask a uniform duty of 10 per centum ad valorem, and the second group, of imitations of the above articles, including also scientific, synthetic, and reconstructed stones and doublets, for which we ask a uniform duty of 20 per centum ad valorem.

We take the liberty of presenting herewith a draft of the proposed schedules, showing also the present schedules and all eleminations and additions, excepting the rate of duty on jewelry and parts thereof. New matter is italic; old matter to be left out is in brackets.

Par. 434. Articles commonly known as jewelry, and parts thereof, finished or unfinished, not specially provided for in this act [including precious stones set, pearls set or strung, and cameos in frames].

* * * * * * *

Par. 435. Diamonds and other precious stones advanced in condition or value from their natural state by cleaving, splitting, cutting, *drilling*, *engraving*, *ornamenting*, *decorating*, or other process and not set, 10 per centum ad valorem; imitations of diamonds or other precious stones *and compositions* of glass or paste [not exceeding an inch in dimensions], *whether or* not engraved, painted, or otherwise ornamented or decorated, *if suitable for jewelry purposes, scientific, synthetic, and reconstructed stones and doublets, whether composed wholly of precious stones or in part of paste or glass* and not mounted or set, 20 per centum ad valorem.

Par. 436. Pearls [in their natural state, not strung or set], *whether whole, split, drilled, matched, or strung, but not clasped, mounted,* or set, 10 per centum ad valorem; *all imitations of pearls not mounted or set, 20 per centum ad valorem.*

Par. 436b. Articles made of coral, shell, or ivory; porcelain paintings, and mosaics, if suitable for jewelry purposes and not set or mounted, 10 per centum ad valorem; all imitations of coral, shell, or ivory, porcelain paintings, and mosaics, if suitable for jewelry purposes and not set or mounted, 20 per centum ad valorem.

Par. 115. Manufactures of agate, alabaster, chalcedony, chrysolite, coral, carnelian, garnet, jasper, jet, malachite, marble, onyx, rock crystal or spar, *designed for industrial purposes and not suitable for jewelry purposes*, including clock cases with or without movements, not specially provided for in this act, 50 per centum ad valorem.

Free list.

Par. 545. Diamonds and other precious stones, rough or uncut, and not advanced in condition or value [from their natural state] by cleaving, splitting, cutting, or other process, including miners', glaziers', and engravers' diamonds not set, and diamond dust or bort.

Taking this draft up by paragraphs, we submit the following:

Par. 434. Changes in this paragraph affecting jewelry will be suggested to your committee by the manufacturers of jewelry; we are interested in the elimination of the words "including precious stones set, pearls set or strung, and cameos in frames."

"Precious stones set" has been held to include only precious stones *set as jewelry.*

In re John Hope & Sons Engraving and Manufacturing Company, 100 Fed. Rep., 286 (1900).

This is in line with the settled view of the jewelry trade, and of course includes pearls set and corals set as well.

These last two precious substances are not "stones" in the narrow meaning of the word, but they have been included in the term "precious stones" by all writers on this subject, and the courts have always construed the law to so include them under the comprehensive term "precious stones."

"Precious stones" was deemed to be a trade term which included not only the diamond, sapphire, emerald, *pearl*, opal, and turquoise, but also the garnet, beryl, * * *.

Hahn *v.* United States, 100 Fed. Rep., 635: "All varieties of coral, without regard to value, suitable for use in the construction of jewelry, * * * were held dutiable at 10 per cent as precious stones * * * ."—(G. A., 6584; T. D., 28131.)

See also T. D., 29184, No. 19466, July, 1908: "Imitation whole and half pearls, * * * are dutiable as imitation precious stones * * *." United States *v.* Weinberg, 139 Fed. Rep., 1006: "Imitation coral designed for use in the manufacture of cheap jewelry held to be dutiable as imitation precious stones."—(G. A., 6236; T. D., 26922.)

"Pearls set" therefore fall into the same class as "precious stones set," and if they be "strung" with a clasp, making a complete article of personal ornamentation, they also come within the term "jewelry" and would pay duty assessed under the jewelry paragraph.

"Cameos in frames" has been carried along from the act of 1890, but the trade is at a loss to know what article is referred to under this designation, as there are no "cameos in frames" imported.

If the paragraph refers to cameos of any kind mounted or set as jewelry—that is, mounted or set in such a way that they can be worn as personal adornment—we submit that they are included in the word "jewelry;" if the act of 1897 refers to some other article, it has no place in the jewelry or precious-stone paragraph.

We shall take up the words "or strung" in discussing the pearl schedule.

It is suggested in the information prepared for your committee that these references to precious stones, pearls, and cameos be supplemented by the addition of "corals set" in the jewelry paragraph.

"Corals set" is "jewelry," and the singling out of certain precious stones "set," in the proposed new schedule is a mistake.

Any stones set as "jewelry" are included in the term jewelry, be they precious or imitation or simply some substance like shell, ivory, mosaic, porcelain, or glass or paste composition which does not imitate a precious stone.

The Board of General Appraisers in a recent decision (G. A., 6819, T. D., 29304, October 16, 1908), following United States *v.*

Knoedler (154 Fed. Rep., 928), held: "That umbrella and cane handles composed of precious metal set with genuine diamonds, pearls, etc., the precious stones being the element of chief value therein, are not dutiable as precious stones set, that *phrase being restricted to precious stones set as jewelry.*"

It is therefore clear that *all stones, pearls, corals, etc., set* as jewelry would be covered by the word jewelry, and the retention of the words "precious stones set, pearls, set or strung, and cameos in frames," is surplusage, confusing, and likely to breed litigation.

Par. 435. We respectfully ask that this paragraph be rewritten as follows: "Diamonds and other precious stones advanced in condition or value from their natural state by cleaving, splitting, cutting, *drilling, engraving, ornamenting, decorating,* or other process, and not set, 10 per centum ad valorem; imitations of diamonds or other precious stones, *and compositions* of glass or paste [not exceeding an inch in dimensions], *whether or* not engraved, painted, or otherwise ornamented or decorated, *if suitable for jewelry purposes, scientific, synthetic, and reconstructed stones, and doublets, whether composed wholly of precious stones or in part of paste or glass,* and not mounted or set, 20 per centum ad valorem."

The term "Diamonds and other precious stones" is a very comprehensive one, as the courts have pointed out. (Hahn *v.* United States, 100 Fed. Rep., 635, 1900. United States *v.* Benedict, 145 Fed. Rep., 914, 1906. United States *v.* American Gem & Pearl Company, 142 Fed. Rep., 283, 1905.)

"Precious stones" embraces a very long list of precious minerals suitable for use in jewelry—sometimes these stones are known under two or more names, but it is safe to say that there are upward of 125 different names for probably 100 varieties of precious stones. (See Exhibit A.)

In the case of Hahn *v.* United States, 100 Fed. Rep., 635, the phrase "precious stones" was deemed to be a trade name which included "not only the diamond, sapphire, emerald, pearl, opal, and turquoise, but also the garnet, beryl, topaz, rock crystal, lapis lazuli, agate, onyx, jade, amethyst, tiger-eye, chalcedony, bloodstone, moonstone, tourmaline, chrysoprase, etc. * * *."

Some of these stones are facetted, some are ground with a convex or cabochon cut, some are carved in relief producing the cameo, or reversely the intaglio, some are partly drilled, others drilled all the way through, some are carved intaglio and painted in colors, while others have been decorated or incrusted with designs.

These processes are applied to the different stones as the fashion or trade demand dictates—emeralds, rubies, and opals are drilled, as well as the humbler amethyst or onyx; in fact, no matter what the process, excepting always mounting or setting, there is no reason why any particular precious stone should be removed from the general classification.

Under the act of 1897 the courts have held that "drilling, engraving, ornamenting, and decorating," which we ask to be inserted in paragraph 435, are covered by the words "or other process." United States *v.* American Gem and Pearl Company, 142 Fed. Rep., 283; United States *v.* Benedict, 145 Fed. Rep., 914.)

In the same paragraph we have added the words "*and composition*" in order to cover compositions of glass or paste which are used

as imitations of precious stones, but which do not actually imitate any known genuine stone.

"Multicolored stones not in imitation of any known precious stone" were held to be dutiable as "imitations of precious stones."—(G. A., 6155, T. D., 26723, 1905.)

We insert the words "whether or" before "not engraved, painted, or otherwise ornamented or decorated," thus reversing the present provisions.

We do this because we fail to see the reason for excepting imitations of precious stones and compositions of glass or paste because they are "engraved, painted, or otherwise ornamented or decorated" as long as they are of the same general type and class as the other imitations covered by this schedule.

The only possible reason for these restrictions in the present act, as well as the words "not exceeding an inch in dimensions," which we also ask the committee to eliminate, may be the fear that some articles properly taxable under some other schedule might be construed to be dutiable at a lower rate under paragraph 435.

We think we have fully met any such objection by the proposed insertions of the qualifying words "*if suitable for jewelry purposes.*"

Under the present act an imitation precious stone 25 millimeters [1 inch] in two dimensions pays 20 per cent as an imitation of a precious stone; if its dimensions are 26 millimeters or a hairbreadth over an inch it goes into the glass and glassware schedule at 45 per cent.

We submit herewith samples of imitation stones both under and over one inch in two dimensions, both unmounted and mounted.

These stones are used for identically the same purposes, viz, pins, brooches, hat pins, buckles, pendants, etc.

The American jewelry manufacturer with the duty rate of 20 per centum ad valorem on all sizes of these stones will be able to compete with the foreign jewelry imported at a proper rate of duty, as the stones set in the imported jewelry must also pay the higher jewelry rate, and this partly offsets the cheaper cost of making jewelry in Europe; but 45 per cent duty on these imitation stones absolutely prevents the American jewelry manufacturer from so competing.

The arbitrary limitation of "one inch in dimensions" was probably put in the acts of 1890, 1894, and 1897 to prevent such importations of colored glass under the imitation stone schedule which ought properly be entered under the glass and glassware schedule.

There is a demand for imitation precious stones for jewelry purposes exceeding 1 inch in two dimensions, while at the same time it has been possible to import glass or composition of paste under the precious stone schedule which is *not suitable for jewelry purposes*, although less than 1 inch in dimensions.

In G. A., 5687, T. D., 25329, it was held that imitations of precious stones used as stove ornaments or in lamps, if within the limitation of "one inch in dimensions," were dutiable under paragraph 435 and not under paragraph 112.

See also G. A., 3408, T. D., 16980.

The courts and the Board of General Appraisers have used the expression "*suitable for jewelry purposes*" and similar expressions to distinguish such purposes from others which might exclude importations from paragraph 435 as follows:

"Agates cut into form *usually employed for jewelry purposes.*"—(G. A., 5768, T. D., 25525.)

"Corals * * * *suitable for use in the construction of jewelry.*"—(G. A., 6584, T. D., 28131.)

"Garnets * * * *suitable for jewelry purposes.*"—(G. A., 5091, T. D., 23559.)

"Keystones * * * *intended to be mounted for jewelry purposes.*"—(G. A., 5915, T. D., 26014.)

"Rock crystal balls * * * on the ground that they were *suitable for jewelry purposes.*"—(G. A., 6301, T. D., 27160.)

"Tiger-eye cut in forms *suitable for use in manufacturing jewelry.*"—(G. A., 5768, T. D., 25525.)

"So-called incrusted stones and other imitations of precious and semiprecious stones composed of glass and *used in the manufacture of cheap jewelry* are dutiable as imitations of precious stones."—(Lorsch *v.* United States, 119 Fed. Rep., 476.)

"The provisions of this paragraph relate to precious stones *prepared to be set in articles of jewelry* * * *."—(Smith *v.* Computing Scale Company, 147 Fed. Rep., 890, T. D. 27263.)

"Pieces of hematite, * * * *suitable "for jewelry settings exclusively.*"—(G. A., 6669, T. D., 28437.)

A number of similar decisions were made under the acts of 1894 and 1890.

Notwithstanding the fact that so-called reconstructed, scientific, and synthetic rubies and so-called reconstructed emeralds have after litigation been held dutiable as precious stones, the importers of these artificial stones unanimously voted to ask your committee that they be classified with imitations of precious stones in the future at 20 per centum ad valorem, instead of 10 per centum ad valorem which they pay at present.—(G. A., 6336, T. D., 27278; G. A., 6637, T. D., 28295.)

We also include doublets specifically among imitation stones, in spite of the fact that it is possible to make a doublet entirely of genuine precious stones as well as partly of precious stone and partly of glass—the importers are willing to have all doublets classified at 20 per centum ad valorem.

A new paragraph is suggested, which for convenience we call 436b—to take care of articles made of coral, shell, ivory, porcelain paintings, and mosaics, *if suitable for jewelry purposes*, and not set or mounted, at 10 per centum ad valorem; all imitations of coral, shell, ivory, porcelain paintings, and mosaics, *if suitable for jewelry purposes*, and not set or mounted, at 20 per centum ad valorem.

This new paragraph covers coral which has been held to be a precious stone and therefore does not change the rate of duty now collected on this article.

Hitherto the trifling importations of shell cameos, ivory paintings, porcelain paintings, and mosaics, *suitable for mounting into jewelry* have been assessed under a number of remote schedules as follows:

Shell cameos have been held to be included in miscellaneous manufactures under paragraph 450, although they have always been recognized as properly belonging to the precious-stone line.

Ivory paintings are now assessed under paragraph 454 of miscellaneous manufactures, although the ivories which are *suitable for jewelry purposes* should have no place in the "art" schedule.

Porcelain paintings, though clearly *suitable for jewelry purposes only*, are now dutiable under the earthenware and china schedule and are assessed at 60 per centum ad valorem.

Mosaics are rarely imported *for jewelry purposes*, but when they come in, the only schedule which seems to cover these beautiful little bits of raw material for the jeweler's art is in paragraph 120, covering slate chimney pieces, roofing slates, etc.

Uniformity of the tariff, where it does not materially affect the revenue, is certainly a consummation to be wished for, and the suggestion of 10 per centum ad valorem on all genuine stones and articles and 20 per centum ad valorem on all imitations thereof, providing always that the stones and articles are not mounted or set and are *suitable for jewelry purposes*, is respectfully urged for your consideration.

It is suggested by your committee's expert that paragraph 435 be amended so as to provide for diamonds, rubies, sapphires, and emeralds without regard to size, and for other precious stones and jewels *not exceeding 1 inch in any one dimension;* and that all such precious stones exceeding an inch in any one dimension be taken from the precious stone paragraph and scheduled as articles of mineral substance at some advanced rate of duty.

The attention of the committee is respectfully called to the fact that while certain qualities of diamonds, rubies, sapphires, and emeralds are generally more valuable than other precious stones, there are a number of precious stones where the fine or specimen pieces are *many times more valuable than at least three of the stones above enumerated.*

Inferior qualities of rubies, sapphires, and emeralds can be purchased for a few dollars a carat, whereas it is possible to pay $50 and upward a carat for fine alexandrites, sphenes, catseyes, spinels, opals, precious topaz, etc.

If an inch in one dimension was the limit of size, it would either shut out the largest and probably most valuable of these gems or offer special inducements for undervaluation and smuggling.

This limit of 1 inch might also prevent the importation of important specimens of aquamarines, amethyst, topaz, peridot, etc., through legitimate channels.

Regarding the expert's comments on paragraph 115, it is respectfully submitted that this paragraph was never intended to cover or refer to precious stones or stones *suitable for jewelry purposes.*

We shall take this paragraph up later and will propose a slight change in its wording to conform to the decisions and prevent further litigation.

The suggestion, therefore, that precious stones should be arbitrarily divided into different classes and further subdivided according to size *should not receive serious consideration at the hands of your committee.*

Regarding the proposed amended or reconstructed provision which insists upon excluding certain kinds of imitation stones such as are "engraved, painted, decorated, or ornamented," we beg to say that there does not seem to be any reason for so excluding this group of imitation or paste stones.

This is all raw material for cheap or popular jewelry, and there is no reason why certain colors or combinations of glass or paste

should pay twice as much as other colors or combinations. There is no question of protection involved, unless indeed it be the question of affording protection to the manufacturer of American cheap jewelry who is now so strongly pressed by his German competitor.

As we have stated before, the importer does not ask for rates which will materially affect the revenue, but does plead for uniform schedules so that he can tell with measurable certainty under which schedule a stone or its imitation is to be entered.

We call your attention further to paragraph 436 which now reads: "Pearls in their natural state, not strung or set, ten per centum ad valorem;" for which we propose an amended paragraph as follows: "Pearls, whether whole, split, drilled, matched, or strung, but not mounted or set, 10 per centum ad valorem; all imitations of pearls not clasped, mounted, or set, 20 percentum ad valorem."

Pearls were not enumerated in the act of 1883—in the acts of 1890 and 1894 "pearls" were noted at 10 per centum ad valorem.

The reason for inserting the words "in their natural state, not strung or set," in the act of 1897 has always been an enigma to the trade.

Of all the precious stones and objects, pearls are unique in being adaptable for use in jewelry without grinding, cutting, polishing, or such other processes as are necessary to bring out the beauty of diamonds and other precious stones—all pearls therefore are in their "natural state" so long as they are not mounted or set as jewelry.

While many pearls are handled by dealers in the exact condition in which they are found in the mussel, many more are drilled and temporarily strung and arranged in bunches or masses in order to display them to the best advantage and enable buyers to see the shapes and quality without being obliged to take up and examine each pearl.

Pearls so strung are sometimes smaller than the head of an ordinary pin, and from this they range upward to the more important sizes.

In no event does the drilling enhance the value of a pearl; on the contrary, it restricts the uses to which it can be put, and therefore pearls that are drilled have a lesser rather than a greater value than undrilled ones.

Pearls are sometimes improved by removing a poor outer skin, although there is generally no way of detecting if this has been done.

Another method of preparing pearls for jewelry purposes is to saw them and so produce what are called half pearls.

All of these processes leave the pearl in its "natural state" under any rational construction of these words, and the courts have tried very hard to give effect to such a construction.

The words of exception "not strung or set" are understood by us to emphasize the fact that pearls in this condition are not complete articles of jewelry and are therefore dutiable at 10 per centum ad valorem.

"Drilled pearls, unassorted and unmatched, and of various sizes, colors, and qualities, but not set or strung, are dutiable by similitude as pearls in their natural state, not strung or set, at the rate of 10 per centum ad valorem under this paragraph and section 7, tariff of 1897."—(Tiffany *v.* United States, 112 Fed. Rep., 672; G. A., 5149; T. D., 23751.)

See also Neresheimer *v.* United States, 136 Fed. Rep., 86, and G. A., 5899; T. D., 25986: "Drilled pearls strung on cotton cord were held to be dutiable at 10 per cent as pearls in their natural state and not at 60 per cent as pearls set or strung, the board finding that the stringing was done merely for convenience in transportation, and that pearls in this conditoin are not known in the jewelry trade as pearls strung."—(G. A., 5892; T. D., 25966.)

Here we have two cases where "drilled pearls loose" and "drilled pearls strung" were decided to be "pearls in their natural state" and "pearls in their natural state not strung" and in Hahn *v.* United States, 131 Fed. Rep., 1000; T. D., 24873.

See also Citroen *v.* United States, United States circuit court of appeals, second circuit, January 12, 1909, reversing United States *v.* Citroen, June 2, 1908, reported in T. D., 29124, and sustaining the board of United States General Appraisers.—(G. A., 6617; T. D., 28246.)

The court decided that "half pearls produced by sawing away the imperfect portion of true pearls were dutiable at 10 per cent by similitude to pearls in their natural state."

Nothing would have been left of this paragraph besides the word "pearls" and the words "or set" if the courts had not felt that Congress must have had the intention to except some kind of pearls from the general designation, and they therefore decided that collections of pearls which had been or might be used as necklaces were dutiable practically as jewelry, notwithstanding the fact that they were not "literally" strung, or the further important fact that "drilled" pearls and pearls strung for the sake of convenience had been adjudicated by the same courts as being pearls in their "natural state," and therefore dutiable at 10 per cent ad valorem.

The reasoning for such a distinction is hard to follow. If we admit, for the sake of argument, that pearls, carefully matched and sufficient in number to be formed into a necklace, have a larger collective value than the value of the units of the necklace, it is only a way of saying that this can be taken into consideration by the appraiser in estimating the value of the collection.

The same consideration is undoubtedly present where a pair of finely matched rubies, emeralds, or even pearls are appraised at the custom-house.

Pairs and sets of unmounted precious stones suitable for earrings, studs, or necklaces have never been considered otherwise than "precious stones unmounted," and there does not appear to be a logical reason for applying a different rule to pearls.

Drilled pearls, therefore, whether temporarily strung *without a clasp* or imported loosely in lots which might be formed into a necklace, should not be singled out and placed in a class by themselves any more than a collection of loose diamonds suitable for a necklace and so imported would be singled out to pay six times the duty which is now assessed on other cut diamonds.

Pearls were scheduled at 10 per centum ad valorem in the act of 1890 and remained at that rate of duty even in the act of 1894, where the duty on precious stones was increased to 25 per centum ad valorem and uncut precious stones were taken from the free list and scheduled at 10 per centum ad valorem.

The disastrous effects of these increases in duty, both on the revenue and on the business of reputable dealers in precious stones, is a matter of record.

In 1892, two years before the act of 1894, imports of precious stones, cut and uncut, were $14,521,851; two years after that act the imports *through the custom-house* dropped to $4,618,991. Two years after the act of 1897, when the duty on precious stones had been reduced to 10 per centum ad valorem and the duty on uncut stones had been removed, the imports rose to $17,208,531.

Some shipments of pearls, though imported loose in packages of various sizes and values, have been construed to be necklaces at 60 per centum ad valorem.

This construction might apply to all drilled pearls (even by a stretch of the imagination to undrilled pearls), for it is estimated that most of the drilled and many of the undrilled pearls are made into necklaces—surely all of them are finally made into jewelry.

Therefore, if pearls suitable for jewelry are to be taxed 60 per cent, this necessarily includes all pearls, drilled and undrilled.

If this rule were applied it would drive the price of pearls and pearl necklaces so high that nobody could afford to buy them in this country, thereby not only depriving the Government of the duties now collected on pearls, but also depriving the legitimate American importer and dealer of the business he is rightfully entitled to.

As a matter of fact, no one has ever paid 60 per cent duty on pearl necklaces or drilled pearls, construed to be necklaces, except in two instances which are now in litigation.

While importers of drilled pearls have not paid over 10 per cent duty the impression is general among wealthy people who go abroad that strung pearls are dutiable at 60 per cent, and the retail dealers in London and Paris do not hesitate to confirm this mistake in order to sell pearl necklaces to Americans.

The temptation for tourists to smuggle an article of great value in order to save 60 per cent duty is probably geometrically greater than the temptation would be to smuggle the same article in order to save only 10 per cent, and under the proposed schedule it is safe to assume that many private persons would declare pearls if they knew the duty was but 10 per cent.

The fact that diamonds pay but 10 per cent duty has greatly reduced the sale of these gems to Americans when they are abroad. Greater confidence in the home dealer has gone far to prevent these purchases; the exception has been pearls, and here the supposed substantial saving has often been the make weight which has deprived the American merchant of the business and the American Government of the 10 per cent duty which would have been paid on innumerable valuable pearl necklaces which have been smuggled by private parties during the past few years.

In answer to the arguments that may be made, that these articles of luxury should be made to bear a higher rate of duty, we respectfully submit that experience has shown that more than 10 per cent can not be collected—that is, that a high duty, considering the small bulk of precious stones and pearls, encourages smuggling and undervaluation—and that as a matter of fact it has been proven that the Government will probably collect less duty on precious stones at 25

per cent than at 10 per cent, while the honest merchant is practically put out of business.

Taking up paragraph 115, we suggest that this paragraph be amended by the insertion of the words "designed for industrial purposes and not suitable for jewelry purposes" after the word "spar."

This will bring the paragraph squarely within the recent decision of the Board of General Appraisers (G. A., 6825, T. D., 29337, Nov. 6, 1908), where it was held that:

"Small pieces of agate, carnelian, garnet, jasper, onyx, etc., advanced in condition or value from their natural state by cutting, polishing, or other process, for the *purpose of fitting them for use as setting for jewelry*, the same being unset and belonging to the group of precious stones known and dealt in in trade under their specific names, such as 'agates,' 'garnet,' 'rock crystal,' etc., are dutiable as 'precious stones' under paragraph 435, and not as manufactures of agate, etc., under paragraph 115, tariff act of 1897."—(United States *v.* Benedict, 145 Fed. Rep., 514; Hahn *v.* United States, 100 Fed. Rep., 635; Erhardt *v.* Hahn, 55 Fed. Rep., 273; Hartsanft *v.* Weigmann, 121 U. S., 615, followed United States *v.* Lorsch, 158 Fed. Rep., 398, distinguished.)

It is suggested by your expert that the words agate, chalcedony, chrysolite, coral, carnelian, garnet, jasper, rock crystal, and spar be stricken from paragraph 115, and in this manner all "manufactures" of these stones would fall under "articles of mineral substance" (paragraph 97).

This would partly straighten the tangle, but it would still leave jet, malachite, and onyx to be the subjects for further litigation.

Genuine jet is rarely imported for jewelry purposes, but malachite and onyx are not uncommon.

It is believed that the "onyx" referred to in paragraph 115 is not onyx (quartz) at all but a species of marble, one variety of which is known as "Mexican" onyx.

We think our suggestion of the insertion of the words "not suitable for jewelry purposes" would be the surer and safer way to amend paragraph 115, as it would leave all "manufactures" of the various stones enumerated in that paragraph subject to 50 per cent duty.

We also submit a collection of stones to show your committee the various kinds of stones upon which the Government has been assessing duty at 10 per cent ad valorem for ten years under paragraph 435, and 50 per cent during the past year on the same variety under paragraph 115.

It is true this duty of 50 per cent has been collected because of a special Treasury order, against which the importers protested, and which protest has been sustained by the Board of General Appraisers (G. A. 6825, T. D. 29337, Nov. 6, 1908); but we submit that the tariff schedules should be made so clear that such a disturbing order could not be issued.

We have no suggestions to make concerning paragraph 545 other than the elimination of the words "from their natural state" and the request that your committee either leave this paragraph exactly as it is, with this change, or if any other change is made, that great care be exercised in retaining "diamonds and other precious stones, rough or uncut, and not advanced in condition or value (from their

natural state) by cleaving, splitting, cutting, or other process," *on the free list*, as the diamond-cutting industry in this country depends absolutely on the protective duty of 10 per cent on cut stones and *free* rough diamonds for its existence.

All of which is respectfully submitted.

ALFRED KROWER,
JACOB GOODFRIEND,
LUDWIG NISSEN,
EDWARD E. HARNED,
MEYER D. ROTHSCHILD,
Committee.

Authorized to represent the undersigned importers of diamonds, pearls, and other precious stones, cutters of diamonds and precious stones, lapidaries, gem cutters and engravers, importers and dealers in precious and imitation stones, and retailers of fine jewerly.

F. W. Bromberg, Birmingham, Ala.; O. A. Hesla Company, Prescott, Ariz.; Chas. S. Stifft, Little Rock, Ark.; The American Jewelry Company, Bakersfield, Cal.; Birnbaum Bros., Los Angeles, Cal.; Brock & Feagans, Los Angeles, Cal.; S. Nordlinger & Sons, Los Angeles, Cal.; The Baldwin Jewelry Company, San Francisco, Cal.; M. Schussler & Co. (Incorporated), San Francisco, Cal.; Shreve & Co., San Francisco, Cal.; W. K. Vanderslice Company, San Francisco, Cal.; Chas. Haas & Son, Stockton, Cal.; J. C. Bloom & Co., Denver, Colo.; The W. W. Hamilton Jewelry Company, Denver, Colo.; Hansel, Sloan & Co., Hartford, Conn.; The Ford Company, New Haven, Conn.; Galt & Bros., Washington, D. C.; Greenleaf & Crosby Company, Jacksonville, Fla.; Hyman Berg & Co., Chicago, Ill.; Juergens & Anderson Company, Chicago, Ill.; Lapp & Flershem, Chicago, Ill.; Norris Alister & Co., Chicago, Ill.; C. D. Peacock, Chicago, Ill.; Spaulding & Co., Chicago, Ill.; Julius C. Walk & Son, Indianapolis, Ind.; E. H. Carpenter & Son, Burlington, Iowa; Wm. H. Beck Company, Sioux City, Iowa; Rudolph H. Baude, Louisville, Ky.; A. B. Griswold & Co., New Orleans, La.; Leonard Krower, New Orleans, La.; Wm. Senter & Co., Portland, Me.; The James R. Armiger Company, Baltimore, Md.; Hennegen-Bates Company, Baltimore, Md.; Saml. Kirk & Son Company, Baltimore, Md.; Maynard & Potter (Incorporated), Boston, Mass.; Shreve, Crump & Low Company, Boston, Mass.; Smith-Patterson Company, Boston, Mass.; A. Stowell & Co., Boston, Mass.; Wright Kay & Co., Detroit, Mich.; Charles W. Warren & Co., Detroit, Mich.; J. B. Hudson & Son, Minneapolis, Minn.; S. Jacobs & Co., Minneapolis, Minn.; Weld & Sons, Minneapolis, Minn.; White & MacNaught, Minneapolis, Minn.; Cady & Olmstead Jewelry Company, Kansas City, Mo.; Jaccard Jewelry Corporation, Kansas City, Mo.; J. R. Mercer, Kansas City,

Mo.; F. W. Drosten Jewelry Company, St. Louis, Mo.; Eisenstadt Manufacturing Company, St. Louis, Mo.; A. Kurtzeborn & Sons, St. Louis, Mo.; Mermod, Jaccard & King Jewelry Company, St. Louis, Mo.; Whelan, Aehle, Hutchinson Company, St. Louis, Mo.; J. L. Teeters & Co., Lincoln, Nebr.; Albert Edholm, Omaha, Nebr.; A. F. Smith & Co., Omaha, Nebr.; L. A. Piaget & Co., Paterson, N. J.; T. W. Rowe, Trenton, N. J.; Charles Adlers' Sons, New York, N. Y.; American Gem and Pearl Company, New York, N. Y.; Arnstein Brothers, New York, N. Y.; Wm. Barthman, New York, N. Y.; Benedict & Warner, New York, N. Y.; Bonner & Co., New York, N. Y.; Bonner Manufacturing Company, New York, N. Y.; R. A. Breidenbach, New York, N. Y.; Maurice Brower, New York, N. Y.; C. Cottier & Son, New York, N. Y.; Eichberg & Co., New York, N. Y.; Eisenmann Brothers, New York, N. Y.; Fox & Co., New York, N. Y.; Jos. Frankel's Sons, New York, N. Y.; Jules Franklin, New York, N. Y.; E. M. Gattle & Co, New York, N. Y.; David L. Gluck, New York, N. Y.; Goodfriend Brothers, New York, N. Y.; Adolf J. Grinberg & Son, New York, N. Y.; L. Heller & Son, New York, N. Y.; Himalaya Mining Company, New York, N. Y.; Sig. Hirschberg, New York, N. Y.; Nathan Hyman & Co., New York, N. Y.; The International Gem Company, New York, N. Y.; Jacobson Brothers, New York, N. Y.; L. & M. Kahn & Co., New York, N. Y.; J. Ed. Kingsland, New York, N. Y.; H. C. Kionka & Co., New York, N. Y.; Theo. A. Kohn & Son, New York, N. Y.; Geo. W. Korper, New York, N. Y.; Jac Kryn & Wauters, New York, N. Y.; John Lamont & Son, New York, N. Y.; Albert Lorsch & Co., New York, N. Y.; Low & Florenzie, New York, N. Y.; Ludeke & Heiser, New York, N. Y.; Julius Mamluck & Co., New York, N. Y.; Marchand Frères, New York, N. Y.; Louis Marx, New York, N. Y.; L. Meisel & Co., New York, N. Y.; L. Misrah, New York, N. Y.; R. G. Monroe & Co., New York, N. Y.; Moser & Whyte, New York, N. Y.; Mount & Woodhull, New York, N. Y.; S. Nathan & Co., New York, N. Y.; Ludwig Nissen & Co., New York, N. Y.; H. Nordlinger's Sons, New York, N. Y.; Henry E. Oppenheimer & Co., New York, N. Y.; Oppenheimer Brothers & Veith, New York, N. Y.; Patterson & Stark, New York, N. Y.; Reichman Brothers, New York, N. Y.; Saunders, Meurer & Co., New York, N. Y.; L. Schuler & Son, New York, N. Y.; Wm. Seckel, New York, N. Y.; Alfred H. Smith & Co., New York, N. Y.; Estate Theo. B. Starr, New York, N. Y.; Stern Brothers & Co., New York, N. Y.; Louis Strasburger's Sons & Co., New York, N. Y.; L. Tannenbaum & Co., New York, N. Y.; Van Antwerpen Vanden Bosch & Co.,

New York, N. Y.; Van Gelder Brothers, New York, N. Y.; S. L. Van Wezel, New York, N. Y.; C. Irving Washburn, New York, N. Y.; Hayden W. Wheeler & Co., New York, N. Y.; Herbert Wild, New York, N. Y.; J. R. Wood & Sons, New York, N. Y.; Zimmeren, Rees & Son, New York, N. Y.; Arthur M. Field Company, Asheville, N. C.; The Bowler & Burdick Company, Cleveland, Ohio; The Cowell & Hubbard Company, Cleveland Ohio; The Webb C. Ball Watch Company, Cleveland, Ohio; The Frank Herschede Company, Cincinnati, Ohio; The Oskamp-Nolting Company, Cincinnati, Ohio; Augustus Rhoades, Lancaster, Pa.; Bailey, Banks & Biddle Company, Philadelphia, Pa.; J. E. Caldwell & Co., Philadelphia, Pa.; S. Kind & Sons, Philadelphia, Pa.; Z. J. Pequignot, Philadelphia, Pa.; J. C. Grogan Company, Pittsburg, Pa.; The Hardy & Hayes Company, Pittsburg, Pa.; J. M. Roberts & Son Company, Pittsburg, Pa.; W. W. Wattles Sons, Pittsburg, Pa.; Sylvan Brothers, Columbia, S. C.; Geo. T. Brodnax (Incorporated), Memphis, Tenn.; C. J. Kleine, San Antonio, Tex.; Richard Vaeth, Tacoma, Wash.; Chas. N. Hancher, Wheeling, W. Va.; Alsted Kasten Co., Milwaukee, Wis.; C. Preusser Jewelry Company, Milwaukee, Wis.

EXHIBIT A.

Achroite (white tourmaline).
Adularia (moonstone).
Agate.
Alexandrite.
Almandine.
Amazonite.
American ruby (garnet).
Amethyst, American.
Amethyst, Brazilian.
Amethyst, Siberian.
Amethyst, Uruguay.
Andalusite (chiastolite).
Aquamarine.
Arizona ruby (garnet).
Arkansas diamond (quartz)
Asterias (star stone).
Avanturine.
Azurite malachite.

B.

Balas ruby (spinel).
Beryl.
Bobrovka garnet (demantoid).
Bloodstone (heliotrope).
Brazilian emerald (green tourmaline).
Brazilian ruby (pink topaz).
Brazilian sapphire (blue topaz).

C.

Cairngorm (quartz topaz).
Californite (vesuvianite).
Cape ruby (garnet).
Carnelian.
Catseye.
Chiastolite.
Chlorastrolite.
Chloromelanite (jadeite).
Chrysoberyl.
Chrysocolla.
Chrysolite (peridot).
Chrysoprase.
Colorado ruby (garnet).
Cordierite (iolite).
Crocodolite (tiger eye).

D.

Demantoid (olivine).
Dichroite (iolite).

E.

Emerald.
Epidote.
Essonite.

F.

Fancy sapphire.

G.

Garnet.
Golden beryl.
Grossularite (garnet).

H.

Haematite.
Hair stone.
Heliotrope (bloodstone).
Hyacinth (garnet).
Hiddenite (green spodumene).

I.

Idocrase (Californite).
Imperial yu stone (green avanturine).
Inca stone (iron pyrites).
Indicolite (tourmaline).
Iolite.

J.

Jacinth (zircon).
Jade (Chinese).
Jade (New Zealand).
Jadeite (chloromelanite).
Jargoon (zircon).
Jasper.

K.

Kunzite.

L.

Labradorite.
Lapis lazuli.

M.

Malachite.
Marcasite (iron pyrites).
Matura diamond (white zircon).
Montana sapphire.
Moonstone.

N.

Nephrite (jade).

O.

Obsidian (volcanic glass).
Odontolite (fossil turquoise).
Oligoclase (sunstone).
Olivine (garnet).
Onyx.
Opal, Australian.
Opal, black.
Opal, brecciated.
Opal, Mexican.
Opal, matrix.
Orthoclase (sunstone).

P.

Peridot (true olivine).
Persian turquoise matrix.
Pink topaz.
Pistacite (epidote).
Pyrope (Bohemian garnet).

R.

Rhodolite (garnet).
Rhodonite.
Rock crystal.
Rose quartz.
Rubellite (tourmaline).
Rubicelle (yellow spinel).
Ruby.
Ruby (Siam).

S.

Sapphire d'eau (iolite).
Sapphire (Ceylon).
Sapphire (Burma).
Sapphire (Montana).
Sapphire (Australian).
Sapphire (Cashmere).
Sapphire (yellow).
Sapphire (green).
Sapphire (pink).
Sapphire (white).
Sapphire (violet).
Sardonyx.
Sodalite.
Sphene (titanite).
Spinel.
Spodumene (kunzite).
Star ruby.
Star sapphire.
Sunstone.

T.

Thompsonite.
Thulite.
Tiger eye.
Topaz (Brazil).
Topaz (precious).
Topaz (Madeira).
Topaz (golden).
Topaz (Spanish).
Tourmaline.
Turquoise.

U.

Utahlite (variscite).
Uralian emerald (garnet).
Uvarovite (garnet).

V.

Venus hair stone.
Vermeille (garnet).
Vesuvianite.
Variscite.

W.

White sapphire.
White topaz.
White spodumene (kunzite).

Z.

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